

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

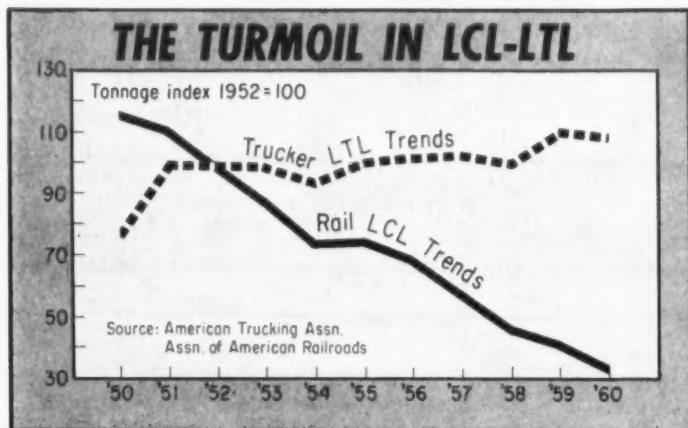
Vol. 4, No. 14

New York, N. Y., April 3, 1961

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

Prices to Move Slowly in Business Comeback



Shippers Ask REA to Take Over In Move to Keep LCL on the Rails

New York—Shippers, hard-pressed by mounting charges and other headaches related to small shipments, have asked railroads point blank to let REA Express take over the deteriorating less-than-carload business. REA President William B. Johnson has indicated that the company would be willing to do so.

At the same time nonprofit shipping organizations have been quietly expanding the scope of their operations, some even establishing coast-to-coast deliveries in the past few months (Pittsburgh Shippers Assn. is an example).

These developments are linked to the rapid decline in railroad LCL shipments shown in the chart above. Major railroads have been losing or abandoning this business at a steady clip, to the point where it now amounts (Turn to page 33, column 1)

Lead Prices Seen Firmer

Mexico City—World lead prices are expected to remain firm and perhaps increase somewhat later this year if plans for reduced production and expectation of higher consumption prove correct.

Major lead producing countries, members of the United Nations Lead-Zinc Study Group, concluded a nine-day meeting (Turn to page 4, column 5)

Seaway Users to Find Port Facilities Better, But Rate Hike Probable

Chicago—Shippers using the St. Lawrence Seaway, now reopening for its third season, will find that virtually every one of the Great Lakes ports has improved its facilities over the winter.

The rush to provide better cargo handling service has been motivated at least in part by the possibility of increases this year in general shipping rates and in Seaway tolls.

Port officials estimate that general rates may go up about 10% on the average. Shippers can expect improved service along with high rates, since bigger charges would make cargo handling more attractive to marine interests.

Shippers also are concerned about toll rises, although the Seaway Authority president, R. J. Rankin, said increases are not (Turn to page 33, column 2)

New Push Underway for Pentagon To Help Firms in Depressed Areas

Washington—Defense suppliers began unraveling procurement commitments this week in the light of revamped and enlarged military spending proposals. The changes also intensified pressure on the Pentagon to channel more defense business into regions hard hit by unemployment.

In amending the Eisenhower Pentagon budget for fiscal 1961-62, President Kennedy submitted an additional \$1.9-billion in new appropriation requests. Some of the money is to pay for the five Polaris submarines and 53 transport aircraft ordered by Kennedy since his inauguration.

In terms of expenditures—which reflect the volume of deliveries—the revised budget now calls for \$43.6-billion worth of outlays, \$650-million over the previous Administration's plan, and the highest level of military spending since World War II.

The new heat to lend a hand to depressed areas comes from Congressional delegations, local business groups, and the latest Labor Dept. report on area unemployment which says that 101 of the nation's 150 industrial centers now have unemployment rates of at least 6%—a record high.

In the past two months, 25 (Turn to page 4, column 3)

Stainless-Clad Aluminum Ready for Limited Output

Fairmont, W. Va.—Fairmont Aluminum Co. has begun producing a stainless clad aluminum sheet that will be priced sharply lower than stainless-copper sheet and stainless with a carbon steel core.

The dual-metal sheet, available only in limited quantities, is scheduled for full production by midsummer at an initial rate of 3-million to 4-million lb./yr. A base price is expected in the area of \$1.25/lb.

In his announcement, company President Robert T. Farrell said, "Unlike the joining of stainless steel to aluminum by casting, the molecular bond actually (Turn to page 34, column 5)

Modest 1% Increase Seen by Forecasters For Remainder of '61

New York—Recovery without substantial price increases. Business analysts held out that rosy promise this week as 1961's second quarter opened with many key indicators pointing to a slow shift from recession to upturn.

• The consensus of price forecasters sees less than a 1% boost in the general industrial price level through the end of 1961.

• Relative price stability of this kind would represent a sharp break with past price patterns (every previous post-war recovery period has been marked by sharp inflationary rises). In the first full year following the 1953-54 recession, general industrial tags rose a sharp 6%; in the 1958 recovery, the rise was in the neighborhood of 3%.

Why is there such a difference now?

The experts cite four factors—(1) the relatively slow pace of expected recovery, (2) continued tight P.A. inventory policy (3) over-capacity in most lines (4) government pressure on coming labor-management negotiations.

Singly, these factors might not be able to accomplish too much. But in combination, they could act as a pretty effective inflation inhibitor.

Optimism about holding the price line is highest for the quarter just beginning. Robert J. Myers, deputy commissioner of the Bureau of Labor Statistics, told PURCHASING WEEK he sees "continued stability of prices for the next month or two." In fact, he intimated that if there were (Turn to page 34, column 1)

Squeeze on Profits Focuses Spotlight On Make-or-Buy

New York—Make-or-buy decisions, loaded with tricky cost variables and sometimes clouded by company policy, have become a problem attracting more and more attention from cost-conscious purchasing agents.

At the same time, the government is applying pressure on prime contractors to farm out as much as possible to subcontractors to the point that in some cases 50% of production costs are proprietary controlled (see PW, Mar 20, '61, p. 30).

Reflecting how close the P.A. is to make-buy considerations and the subcontracting push, the American Management Assn. set up a purchasing workshop seminar this week on managing an effective make-or-buy program. Co-chairman Walter Swardenski, director of purchases, Caterpillar Tractor Co., says the most important topic on the agenda will be organizing procedures.

"Organization today is the (Turn to page 30, column 1)

This Week's

Purchasing Perspective

APRIL 3-9

"Vendor Wanted" signs are going up all over the country for small firms with first-class production facilities, engineering capabilities, and procurement know-how. The market has become broader than ever for "small business," whose long efforts to win recognition of its talents on military and other governmental contracts finally may be paying off in one big rush.

• Two weeks ago President Kennedy specifically directed Pentagon contracting officers to concentrate on smaller firms in parceling out procurement needs resulting from the federal government's increased military spending programs.

• Since then a flock of new cities have been added to the Labor Dept.'s distressed area list, and this qualifies more firms for small business preference (see story above).

• The Small Business Administration, congressmen, and local business groups have stepped up their activities in recent months on behalf of smaller type companies.

Some areas—principally the West Coast and Eastern metropolitan centers—have developed highly publicized (and political) (Turn to page 33, column 4)

P/W PANORAMA

• **Low-Cost Automation.** That's one description of the use of copying machines in purchasing operations. The spread on pages 20 and 21 contains examples of how these machines can be put to work to simplify purchasing department chores.

• **Games Can Be Useful,** as students in P/W's 'School for Strategists' have learned. This week, Consultant John M. Owen, Jr., explains further how such games can help you in real life. It's in the 'Professional Perspective' on page 8.

• **Breach of Warranty Can Be Remedied** by calling for rescission of contract, but the buyer has to act promptly. 'The Law and You' column on page 32 explains some of the legal complexities involved here, and cites two cases in point.

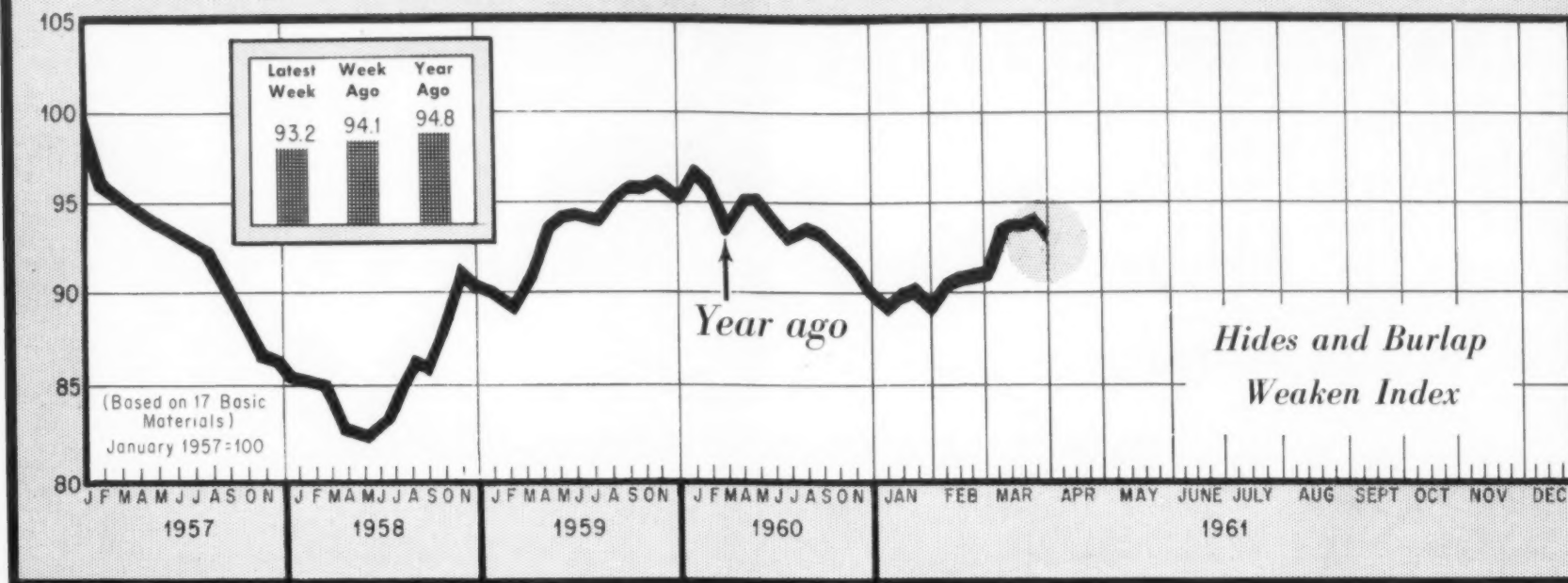
• **Use of Reinforced Plastics Is Growing** by leaps and bounds as manufacturing processes improve and new applications are found. 'Product Perspective' on page 25 gives a rundown on the reinforced plastics and some of their many uses.

Coming: R & D Perspective

New products are moving from research and development labs into production at a dizzy pace. To help you keep ahead of the field, Purchasing Week will concentrate on R & D in another enlargement of its extensive new products coverage. The April 10 issue will inaugurate a special monthly report on R & D projects that are on the verge of going commercial. Look for it on the opening page of P/W's "Weekly Guide to New Products."

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Mar. 29	Mar. 22	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	35.00	35.00	36.00	- 2.8
Steel scrap, #1 heavy, del. Cleve., gross ton	34.00	34.00	33.00	+ 3.0
Steel scrap, #1 heavy, del. Chicago, gross ton	38.00	38.00	32.00	+18.8
Aluminum, pig, lb.	.26	.26	.26	0
Secondary aluminum, #380 lb.	.225	.226	.25	-10.0
Copper, electrolytic, wire bars, refinery, lb.	.286	.286	.326	-12.3
Copper scrap, #2, smelters price, lb.	.238	.238	.238	0
Lead, common, N.Y., lb.	.11	.11	.12	- 8.3
Nickel, electrolytic, producers, lb.	.74	.74	.74	0
Tin, Straits, N.Y., lb.	1.043	1.039	.999	+ 4.4
Zinc, Prime West, East St. Louis, lb.	.115	.115	.13	-11.5
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.	2.20	2.30	2.00	+10.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.	2.10	2.10	2.15	- 2.3
Lp-Gas, Propane, Okla., tank cars, gal. (net price)	.04	.045	.045	-11.1
Gasoline, 92 oct. reg., Chicago, tank car, gal.	.115	.12	.111	+ 3.6
Gasoline, 84 oct. reg., Los Angeles, rack, gal.	.103	.103	.11	- 6.4
Kerosene, Gulf, Cargoes, gal.	.099	.099	.09	+10.0
Heating oil #2, Chicago, bulk, gal.	.095	.098	.088	+ 8.0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.	.13	.133	.183	-29.0
Glycerine, synthetic, tanks, lb.	.273	.273	.293	- 6.8
Linseed oil, raw, in drums, carlots, lb.	.167	.167	.171	- 2.3
Phthalic anhydride, tanks, lb.	.195	.195	.165	+18.2
Polyethylene resin, high pressure molding, carlots, lb.	.275	.275	.325	-15.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.	16.50	16.50	13.70	+20.4
Shellac, T.N., N.Y. lb.	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.	.076	.074	.06	+26.7
Titanium dioxide, anatase, reg. carlots, lb.	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.50	9.50	9.25	+ 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.60	6.60	6.30	+ 4.8
Old corrugated boxes, dealers, Chicago, ton	14.00	14.00	18.00	-22.2
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.	116.00	116.00	124.00	- 6.5
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.	126.00	124.00	137.00	- 8.0
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.	80.00	80.00	88.00	- 9.1
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.	64.00	64.00	64.00	0
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.	.151	.160	.108	+39.8
Cotton middling, 1", N.Y., lb.	.335	.334	.341	- 1.8
Printcloth, 39", 80x80, N.Y., spot, yd.	.175	.175	.205	-14.6
Rayon twill, 40 1/2", 92x62, N.Y., yd.	.20	.20	.235	-14.9
Wool tops, N.Y., lb.	1.505	1.505	1.490	+ 1.0
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.180	.190	.215	-16.3
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.304	.310	.412	-26.2

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

APRIL 3-9

THE HESITANT CONSUMER—Consumer-oriented industries won't be in the market for too much steel, copper, and other key materials during the next few months.

That's what the Michigan Survey Research Center's new report on consumer buying intentions clearly implies. It reveals that the public isn't in any great hurry to stock up on major consumer durables such as automobiles and appliances.

Thus, intentions to buy a new car during the next six months are down 10% below a year ago. For used cars, the drop is even greater.

And much the same hesitancy is evident for other "big ticket" lines. The survey notes that "intentions to buy furniture and major household appliances in the next year are less frequent than one or two years ago."

But there's a rosy side to the survey, too. For example, there's widespread feeling on the part of consumers that business and financial conditions will get better.

The public's attitude toward prices is also encouraging. Thus, the general opinion that "prices are reasonable" or that "good buys can be had" is a pretty good sign that people are getting in a buying mood.

A MATTER OF INTEREST—Short-term business borrowing costs are successfully bucking Administration efforts to "nudge them upwards."

In fact, the whole Federal Reserve Board program to raise short-term rates and lower long-term ones seems to be running into difficulty.

The most glaring example is in 90-day Treasury bills. Instead of rising, yields in the six weeks since the program got under way have actually dipped—from 2.5% to under 2.4%.

Longer-term issues aren't behaving according to plan, either. The average yields on U.S. Treasury bonds maturing in more than 10 years have remained virtually unchanged—despite Fed attempts to lower them.

What's behind the difficulty? One financial analyst thinks that the whole plan may be self-defeating. He explains, "Just as soon as short-term rates rise relative to the longer-term ones, a counter force is set in motion. The relatively higher yields on short-term bills automatically increases investor demand for them. This means the price of bills is bid up—thereby driving yields down again."

With the Fed's plan going nowhere, Purchasing Week's prediction of last month still holds: no change in borrowing rates for the next three to six months.

NO PICKUP—Growing petroleum glut is expected to keep fuel prices under pressure over the next few months.

According to the American Petroleum Institute, stocks are above a year ago in every major category—including gasoline, kerosene, distillate fuel, and residual fuel.

In the case of gasoline, oversupply can be traced back to the recent heavy demand for heating oil. According to industry spokesmen, an abnormally cold winter caused refineries to turn out more than normal amounts of heating oil. But it's impossible to turn out heating oil without turning out gasoline, too. Hence, today's gluts.

As a result, prospects for the usual spring pickup in gasoline tags are dim. In fact, if refineries keep up current high level of operations, some experts think the situation could deteriorate into one of the old-fashioned gas price wars of past years.

Senate Urged to Put Brakes to Drop In Common Carrier Cargo Hauling

Washington—The Senate Surface Transportation subcommittee heard a parade of witnesses warn that unless the decline in common carriage which set in after World War II is reversed, the system will collapse and the government will have to take over its operation.

The subcommittee of the Interstate Commerce Committee is holding hearings to investigate ways to strengthen the common carrier industry against the steadily mounting erosions of private and exempt transportation.

Large Gains for Unregulated

Dr. George P. Baker, president of the Transportation Assn. of America, told the senators that in four of the past five years regulated truck lines failed to increase their relative share of the nation's freight traffic while railroads lost ground. But during the same period, unregulated truckers picked up about 56-billion ton-miles of traffic for a striking 39% gain.

Regulated barge lines and freight forwarders also are being hard-pressed by exempt water carriers and unregulated non-profit shipping associations operating in their fields.

Both Baker and Chairman Everett Hutchinson of the Interstate Commerce Commission testified that an alarming portion of private transportation, mostly in the trucking field, is conducted illegally by operators who surreptitiously engaged in for-hire carriage.

Baker quoted estimates from state enforcement officials that illegal operators handle at least 25% of the total intercity truck traffic.

Want Stronger Policing

Neither Baker nor Hutchinson objected to a legitimate grower, manufacturer, processor, or merchant transporting his own products without being subject to regulation. But they strenuously condemned unauthorized for-hire transportation by private carriers or shipping co-ops and asked Congress to strengthen the ICC's hand in combatting such practices.

They also questioned whether too much for-hire regulation is

not being exempt from regulation under special statutes.

Hutchinson specifically asked that Congress repeal the exemption granted to barge operators who haul bulk commodities, granting appropriate "grandfather" rights to those now engaged in unregulated barge service. He also suggested that Congress take another look at the broad exemptions granted to truckers who haul agricultural products.

Truce Called in Threatened Air Cargo Rate War

New York—U. S. and foreign airlines, at the brink of an air cargo rate war on North Atlantic routes, agreed last week to extend their existing tariff schedules from April 10 to June 30. All had scheduled major rate reductions effective next week.

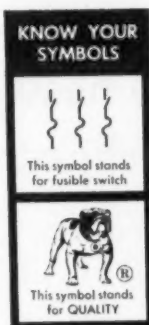
The move gives the airlines another chance to work out an agreement on a new International Air Transport Assn. rate structure. U. S. and European carriers were unable to compromise their differences at an earlier session.

The IATA decision to try once more for agreement followed an announcement by the Civil Aeronautics Board that it would prohibit American air freight forwarders from chartering west-bound planes if the airlines came up with a new rate structure that it considered "unsatisfactory."

The CAB has made it clear that it favors lower air cargo rates generally. The board allied itself in principle with a joint rate proposal by TWA, Pan American, and Seaboard & Western, which stressed bulk rather than

specific commodity rates, with some specific commodity rates included for developmental purposes.

Under the rate plan backed by the three American airlines, reductions would be made on a "weight break" principle. On New York-to-London flights, the charge for transporting a 100 lb. shipment would be \$68.40, a 28% reduction from current costs. Reductions would range up to 62% on shipments of 16,500 lb. and over (see PW, March 27, '61, p. 5).



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Paper Industry Officials Predict Midyear Pickup

New York—Record February sales of printing paper grades—4% above a year ago and 8% greater than January—point to a general pickup in the paper industry by midyear.

That's what Floyd H. Blackman, president of the National Paper Trade Assn. and William P. Colgan, statistical research director, told member distributors at the association's annual convention in New York's Waldorf-Astoria last week.

Usually an increase in sales of printing paper grades is followed within a few months by a boost in sales of industrial grades, Blackman pointed out. "Barring unforeseen developments," he said, "it will be the middle of the year before any significant increase will be felt by the paper industry."

Washington Perspective

APRIL 3-9

Sen Estes Kefauver (D-Tenn.) will hold public hearings April 13-14 on identical bidding by the electrical equipment industry. Kefauver, chairman of the Senate Antitrust and Monopoly Subcommittee, will try to prove the practice continues—despite the jail sentences and fines meted out recently in Philadelphia. He also will try to prove that top executives of the companies involved were parties to the "conspiracy"—despite their denials.

The continuing Federal Trade Commission inquiry into pricing practices has moved into the photographic equipment industry. Questionnaires have been mailed to 23 manufacturers, importers, and distributors seeking 1960 price lists and information on how and through whom products are distributed.

FTC, in authorizing the investigation, said retail prices listed by some companies differ regularly from prices charged by retailers in a number of metropolitan areas. The commission has authority to demand answers to its questions.

This investigative procedure was started before Paul Rand Dixon, former chief counsel of the Kefauver committee, took over as FTC chairman. But it is right in line with Dixon's thinking on "administered" prices, and a stepup in activity can be expected during his regime.

Pres. Kennedy's tax-incentive plan to stimulate investment in new plant and equipment is due to go to Congress by mid-April. But the Administration still is divided on what form it will take.

Best bet is that it will be a straight liberalization of depletion allowances. There is support, however, for the investment credit proposal under which a firm would be allowed to subtract from its income tax payment a percentage of its capital expenditures.

Key proposal to channel more small business loans to depressed areas is being considered by Small Business Administrator John E. Horne. What Horne has in mind is reduction of SBA interest rates on loans to local development companies in such areas from the present 5½% to 5% or even possibly to 4%. There is a feeling in Washington that development loan companies have not been used widely enough to help finance new small companies.

Labor Secy. Arthur J. Goldberg is trying to avert a threatened boycott of Japanese textiles by the Amalgamated Clothing Workers Union. May 1 has been set as a deadline for action. But Goldberg has met with Union President Jacob S. Potofsky and plans others. A similar boycott threat by electrical workers was postponed for three months after Commerce Secy. Luther Hodges talked with union officials.

A switch in policy by the National Labor Relations Board seems imminent. A Democratic majority now will run the five-man agency, including Kennedy appointees Frank McCulloch, chairman, and Gerald A. Brown, member. With holdover John Fanning, the Democrats will have a three-to-two majority.

Labor unions are pressuring the "new" NLRB to clamp down on employers and ease up on Taft-Hartley restrictions on the unions. The first test may come when the board reconsiders the recent Eisenhower board ruling that bars "agency shop" agreements in right-to-work states. It may be upset.

Unions also want the board to restrict employer rights to "freedom of speech" involving union efforts to organize their employees. Congress also gets into the act this month with a House Labor Subcommittee investigation of Eisenhower board rulings, a probe the unions have been pushing.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,611	1,574	2,597
Autos, units	87,641	71,083*	137,385
Trucks, units	21,061	21,279*	28,483
Crude runs, thous bbl, daily aver	7,897	8,043	7,945
Distillate fuel oil, thous bbl	11,831	13,014	12,846
Residual fuel oil, thous bbl	6,639	6,446	7,278
Gasoline, thous bbl	28,458	27,932	28,003
Petroleum refineries operating rate, %	79.6	81.1	81.4
Container board, tons	158,349	166,100	156,271
Boxboard, tons	97,737	99,725	102,636
Paper operating rate, %	91.1	91.9*	98.7
Lumber, thous of board ft	216,811	200,435	250,517
Bituminous coal, daily aver thous tons	1,074	1,022*	1,487
Electric power, million kilowatt hours	14,291	14,295	13,951
Eng const awards, mil \$ Eng News-Rec	405.0	353.9	383.6

* Revised

Pentagon Urged to Give Jobs to Depressed Areas

(Continued from page 1)

additional major industrial centers were classed as distressed areas. The previous record figure was marked up during the low point of 1957-58 recession when 89 major industrial centers were listed as areas of "substantial" unemployment.

The unemployment surge comes against the backdrop of still another step-up in defense spending. Last week, the Kennedy Administration disclosed plans to boost expenditures in fiscal 1962, which starts July 1, from Eisenhower's \$42.9-billion estimate to \$43.6-billion.

Depressed Areas Hunt Business

So, more than ever, the depressed regions are plumping for defense contracts to provide the needed economic shot in the arm.

Last week, for example, Robert F. Halligan, president of Hallicrafters Corp. of Chicago, complained about that city's declining share of military contracts, and called for a "dynamic" city-wide campaign for Chicago to "capture its fair share" of defense business.

Regional competition for military orders on the grounds of economic necessity is becoming fierce.

Sen. John M. Butler (R-Md.) introduced a resolution last month calling for an investigation of what he calls "the over-concentration of prime defense contracts on the West Coast."

California Contracts Eyed

New York's two Republican senators, Jacob K. Javits and Kenneth B. Keating, have gone even further, introducing a bill "aimed at reversing the growing trend of defense contract awards to California and other states in the Far West at the expense of many industries located in New York and other parts of the East."

The Javits-Keating bill reflects the traditional Congressional demand for greater military procurement through formal advertised bidding and a smaller volume of negotiated contracting. The House Armed Services Committee has already approved a similar procurement measure introduced by Rep. F. Edward Hebert (D-La.).

But many military procurement experts scoff at the claim that formal advertised bidding would insure greater competition for defense orders and thus provide special assistance for depressed areas.

No Official Position

So far, the Kennedy Administration has steered clear of an official position on the advertised vs. negotiated procurement issue and its potential impact on distressed areas.

In February, Kennedy ordered the Pentagon and other government agencies to take "prompt steps to improve the machinery by which federal contracts can be channeled to firms located in labor surplus areas."

Up to now, Pentagon compliance with the Presidential order has been in the form of what one official describes as a "more vigorous, rededicated, and reenergized" implementation of existing regulations, rather than any specific change in the rules for letting contracts.

How Pentagon Aids Distressed Areas

• Each military procurement act is reviewed to determine the feasibility of setting aside contracts for firms in distressed areas. But rules limit these set-asides to the "extent consistent with procurement objectives." This in effect narrows labor surplus area contracts to commercial, off-the-shelf type items.

• A specified part of orders for such items is opened for bids from any producer to determine an economic price. Then competition is opened for the labor surplus area set-aside. Firms in such areas are required to meet the low bid.

• Because the policy is related to the general small business assistance program, a set of priorities gives the first shot at contracts to small firms in "persistent" labor surplus areas, then to other companies in "persistent" areas. Next come small companies in "substantial" surplus areas (where the unemployment rate at 6% or more has not been in effect as long). Other companies in "substantial" surplus areas are next in line, followed by any small firm.

GE to Huddle With Navy, Air Force On Subcontracting and Procurement

Chicago—General Electric Co. and Navy and Air Force procurement chiefs will unfold subcontracting and purchasing needs to some 2,000 small business representatives at a day-long briefing April 5. Purpose: to provide specific information on some \$300-million worth of subcontracting that GE's Flight Propulsion Div. will offer small business firms this year.

The Chicago procurement symposium will give manufacturers from eight Midwestern states a chance to get the same procurement briefing afforded suppliers in another area last September at a Cleveland symposium. Earlier, smaller symposiums were held in 1959 and 1960.

The symposium is under the sponsorship of the Large Jet Engine Dept. in Cincinnati. Ralph Medros, the department's manager of materials, and its five purchasing managers, as well as buyers and purchasing agents, will answer questions of prospective suppliers.

Materials and purchasing managers of four other departments also will be present. These are Small Aircraft Engine Dept., and Aircraft Accessory Turbine Dept. in Lynn, Mass., and the Flight Propulsion Laboratory Dept. and Nuclear Propulsion Dept. in Cincinnati.

Procurement needs will cover

Sears Denies Charges Of Unlawfully Inducing Discriminatory Prices

Washington—Sears, Roebuck & Co. has denied Federal Trade Commission charges that it illegally induced discriminatory prices from a supplier of plumbing fixtures and equipment. The supplier, Universal-Rundle Corp., also denied that it granted illegal price concessions to Sears.

Both companies asked for dismissal of the FTC complaints.

The Commission had charged that Universal-Rundle gave Sears a price advantage of from 5% to 45% over competing customers and that Sears knowingly induced these discriminatory prices. Both practices are prohibited by the Robinson-Patman Act. Sears owns 63% of Universal-Rundle's capital stock, the FTC said.

virtually every variety of machined and metalworking project, plus tooling used to fabricate some parts, according to R. J. McElligott, small business administrator for the Large Jet Engine Dept. Firms will be shown a display of 700 jet engine parts representing the type of items currently purchased.

Companies who register at the symposium as potential suppliers will be given an opportunity to quote within two weeks of the meeting.

Lead-Producing Nations Agree to 1961 Cutbacks; Prices Seen Firming Up

(Continued from page 1)

here last week by agreeing to cut 1961 lead production to at least 2% below estimated demand.

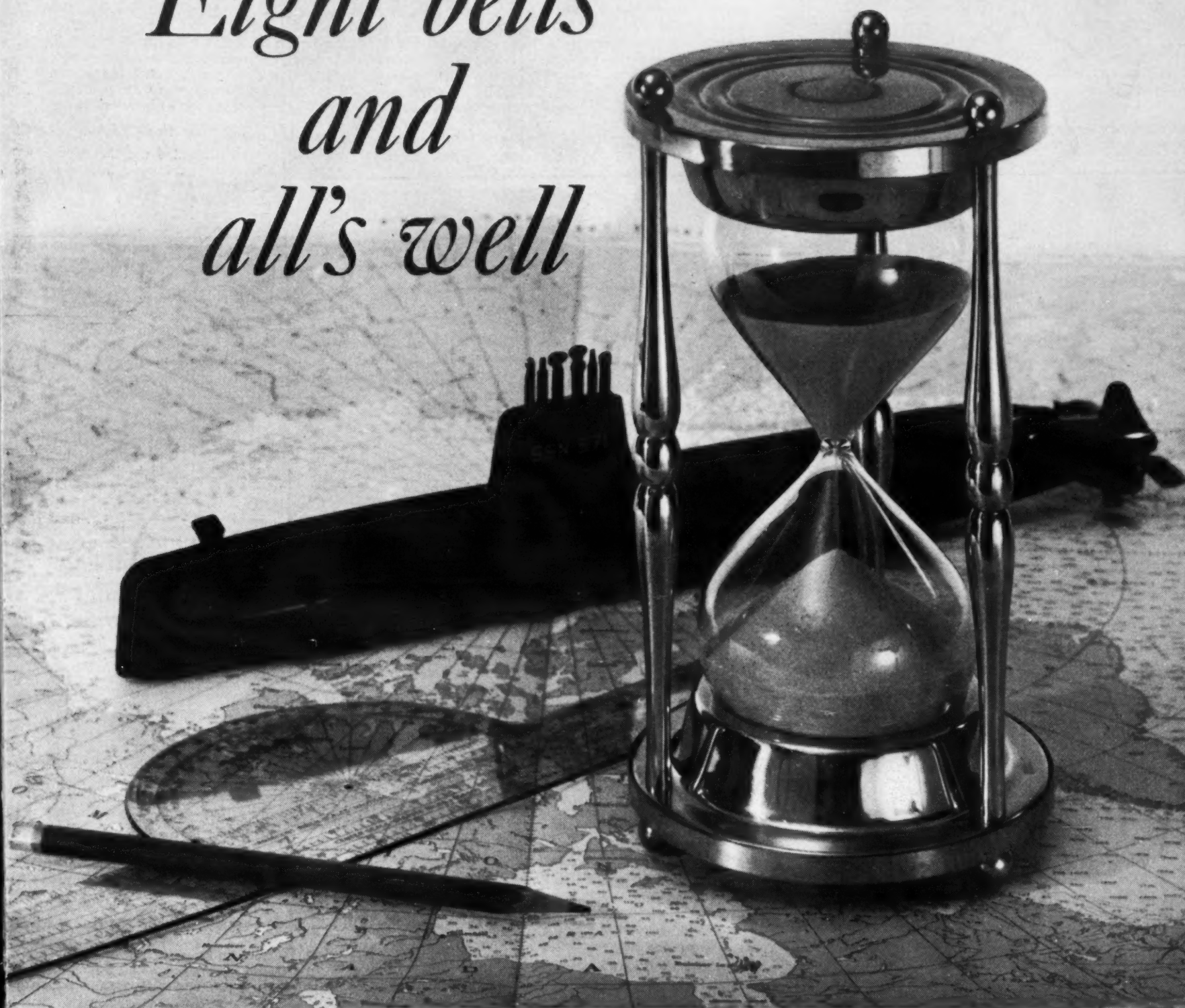
With lead demand expected to rise 3% this year, the total availability of lead was to be reduced substantially to "put lead stocks within manageable amounts," an American delegate said. Zinc was not really discussed at this meeting because it was considered in relatively good shape compared with lead's oversupply.

American delegates, since returned to Washington, said there were no precise estimates of possible price increases. Canada already has announced a planned production cutback of about 33,000 tons in 1961, about 10% under the 1960 level. Australian representatives indicate that if a proposed U. S. barter system is successful, lead production might drop about 20,000 tons, also about a 10% decline.

The United States renewed an offer to trade surplus agricultural commodities to world producers in exchange for promises to reduce stockpiles and cut production levels of lead this year. A deadline of May 15 for accepting the barter arrangement was set by U. S. officials, who stressed to world producers that the offer will not be made again.

Under the proposed barter deal, lead producers or their brokers would accept U. S. agricultural products and in return would abolish lead stocks accumulated before Jan. 1, 1961, and pledge that this year's production would be below 1960.

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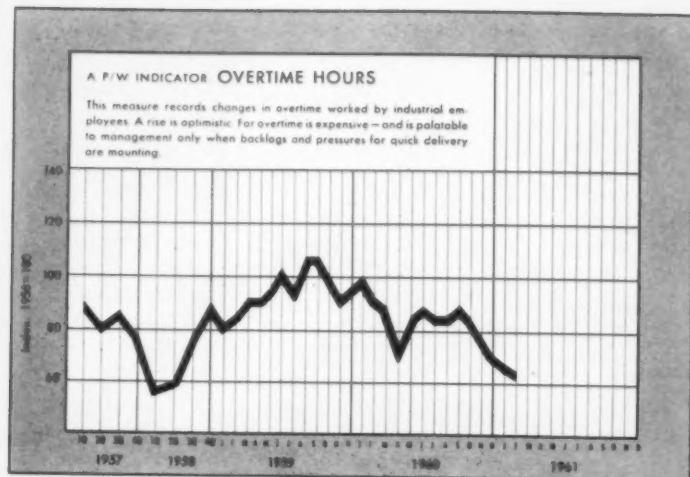


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ANOTHER SLIGHT DROP in February puts overtime at the lowest point in three years. That leaves the over-all index a sharp 31% below year ago levels. Optimistic sign: the leveling off in durable lines—particularly metals. Traditionally, this area is first to reflect a change in business climate.

Motorola Head Sees Constant Flow Of Electronic Imports From Japan

Chicago—Motorola President Robert Galvin sees no letup in imports of electronic components from Japan.

"Motorola is probably importing as much electronic products as anybody else is, particularly from Japan," Galvin told members of the National Installment Credit Conference. But he stressed that foreign imports were not a "cure-all."

As for the cost of manufacturing abroad, he said Motorola

experimented with having a radio set manufactured in Japan and brought back to the U.S. for sale. "We did this," Galvin explained, "in order to have a feeling for both the procedures as well as the cost. We have learned unequivocally that we can assemble a consumer product cheaper in this country than we can have it assembled for us in Japan."

High Cost Items to Stay

Galvin pointed out that some items—radios, television receivers, and stereo hi-fi sets which cost \$300 to \$500—will continue to be made here because "we can make them better and cheaper in this country, while still making use of some foreign components."

Galvin predicted "better and cheaper" electronic products as a result of new manufacturing methods. He also predicted that the equipment manufacturer will soon be making more of the components that go into the finished product.

"The capital equipment factor in the industry is going to change very significantly," he said. "We will look like refineries instead of having assembly lines of people wiring electrical circuits."

Union Carbide Cuts Price Of Cellulose Derivative; Hercules to Follow Suit

New York — Union Carbide cut the price of all but one grade of hydroxyethylcellulose 10¢/lb. Hercules Powder Co., entering full-scale commercial production of the chemical, said it would follow suit.

The new Union Carbide price for the chemical, which it sells under the name "Cellosize," is 74¢/lb. in lots of 20,000 lb. or more. Only grade unaffected by the reduction was the high-viscosity QP 15,000 type, which continues to sell at the old price of 84¢/lb.

Hercules, which also had been marketing the chemical at 84¢/lb., said that it would remain "fully competitive" with Union Carbide.

Hercules had been producing the chemical on a pilot plant basis under the name "Natrosol." It plans to increase production by building a plant with an multi-million-pound annual capacity at Hopewell, Va. The new facility is scheduled to go into operation during the first quarter of 1962.

Antitrust Hearing Set

Philadelphia — Federal Judge J. Cullen Ganey has scheduled a hearing April 12 on a request by the State of California to inspect U. S. Justice Dept. data compiled during the antitrust investigation of the electrical equipment industry.

California officials said examination of the government's records is essential for determination of possible damage claims against the 29 companies involved in the case. It is understood that a number of the companies will oppose California's request.

HOW NOT TO MAKE MISTAKSE

when buying silver brazing alloys*

1. Don't buy from a source with an inadequate engineering service. (In addition to our knowledgeable sales force we have an engineering staff throughout the country to back up our sales engineering force waiting for an opportunity to serve you.)
2. Buy from a producer, not a repackager. Repackagers have uncertain supply, inadequate sales and engineering coverage.
3. Don't buy from a seller with an incomplete line. You may get sold an alloy that's not exactly right for your application; uneconomical, won't work, etc.
4. Buy from a company that has a first-rate distribution

organization; whose distributors themselves are big enough to give service, delivery, credit and counsel.

5. Buy from a manufacturer who produces products of first-line quality—who promises and *delivers* materials of accurate analysis, strict tolerances and unvarying dimensions, and delivers them where you want them *when* you want them.

6. Buy from a producer whose research people can work with you on unique or "exotic" applications; who has developed many of the classic alloys, whose *standard* list of brazing alloys (high & low temperature) is longer than that of any other producer.

Further details on the above can be had immediately from Handy & Harman, or any of Handy & Harman's distributors.

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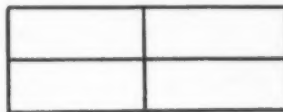
CONSULTANT JOHN M. OWEN, JR.

Interprets the 'Expected Value' Theory

Of PW's 'School for Strategists' Games

For some months now, you've seen little boxes in PURCHASING WEEK's "School for Strategists" games. The idea is that if you put the right numbers into the right squares, you'll find out—after a few simple manipulations—what your best

strategy is for solving some very perplexing business situations. The boxes look like this:



PURCHASING WEEK always supplies you with the numbers to put into these boxes. Supposing, though, you want to use this game technique in real life. You're now up against the problem of developing your own numbers. How would you do it?

The first thing to remember is that the numbers you put into the boxes are "expected values"—wins or losses—resulting from some action on your part.

In finding the "expected value" we proceed very much as though we were deciding (rationally) whether the terms of a bet on a game of chance are fair. We know intuitively that 50¢

would be a fair price to charge to enter a coin toss game which paid us \$1 every time the coin came up heads and nothing when it came up tails. In similar fashion, \$5,000 might be a fair price (or investment) for a business proposition which had a 50% chance of paying us \$10,000 and a 50% chance of paying nothing.

The formula is: Expected Value of Payoff = Chance of Happening (payoff if event happens) + Chance of Not Happening (payoff if it doesn't happen). For the investment example, it's:

$$\text{Expected Value} = \frac{1}{2} (\$10,000) + \frac{1}{2} (\$0) = \$5,000.$$

Use in Real Life

An example of the use of expected value in a real life business choice situation would be a company faced with a choice between spending \$10,000 in advertising funds for either toothpaste or shaving cream. Spending the money will undoubtedly have some positive effect on toothpaste or shaving cream sales—but how much?

Assume that the advertising manager estimates—on the basis of past experience and the current market potential—that the expenditure of \$10,000 on toothpaste advertising would create a 20% chance that toothpaste sales will rise by \$100,000, a 50% chance that they'll rise by \$300,000, and a 30% chance that they'll rise by \$700,000.

He also estimates that if he spends his \$10,000 on shaving cream ads, there is a 10% chance that shaving cream sales will be up by \$50,000, a 50% chance that they'll be up by \$400,000, and a 40% chance that they'll rise \$700,000.

If we assume that the unit profit per dollar of sales is the same on both items, which product should get the \$10,000?

How to Figure the Answer

Here's how to figure the answer:

For toothpaste: Expected value = .2 (\$100,000) + .5 (\$300,000) + .3 (\$700,000) = \$380,000

For shaving cream: Expected Value = .1 (\$50,000) + .5 (\$400,000) + .4 (\$700,000) = \$485,000

Clearly, shaving cream represents the better investment.

A word of warning, however. The expected value approach should not be applied uncritically to all business problems. You might not be concerned solely with the expected value of a decision. This would certainly be most important over the long pull—but you may not have the capital to take the necessary losses. If you took up risky ventures, you might very well go bankrupt before you started to obtain the long-term benefits of your "expected value" strategy.

In addition, you must remember that there is the type of person who doesn't like to take risks, even if he has the capital to ride out a series of losses. And, alternatively, we have the sort of man who is attracted by the prospect—however slim—of the "really big money."

These considerations, however, represent problems of a more advanced nature. For anyone just getting acquainted with "expected value," the techniques presented in this article will suffice to solve a few problems that may lend themselves to this approach.



CRANE 125-AND 150-POUND UNION BONNET BRONZE GATE VALVES

STRONGER CYLINDRICAL BODY DESIGN FOR LONG SERVICE LIFE

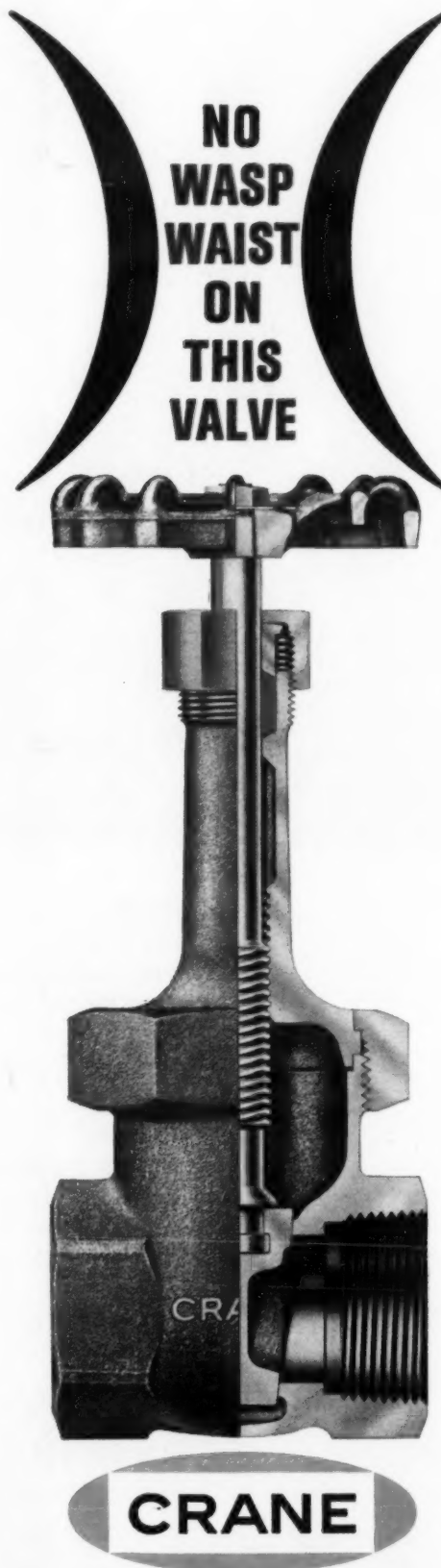
Every part of these new valves has been carefully engineered and liberally proportioned to assure an extra safety factor over the recommended working pressures. Unlike ordinary pinched-in, rectangular body valves, Crane's cylindrical body—the same design used in Crane's heavy-duty 200- and 300-pound bronze gate valves—distributes pressure loads uniformly and reinforces seat against the wedging action of the disc.

Wider, huskier hex ends combined with the new body shape give this valve greater rigidity, reduce chance of leakage and early failure resulting from piping strains. They make for easy installation, too.

Many other Crane features—the deep stuffing box that can be repacked under pressure, substantial thread engagement between stem and bonnet, and a precisely fitted bonnet joint—make this valve a best buy for safe, dependable, long service on steam, oil, gas and water lines.

Crane's 125- and 150-pound Union Bonnet Bronze Gate Valves are made in 1/4-inch to 2-inch sizes with either a solid or split wedge disc. Both disc types are carefully machined and fully guided for positive, easy operation.

Your Crane Distributor has these new valves in stock. Contact him for information or write Crane Co., Industrial Products Group, 4100 S. Kedzie Avenue, Chicago 32, Ill. In Canada, Crane, Ltd., 1170 Beaver Hall Square, Montreal.



VALVES • PIPING • ELECTRONIC CONTROLS
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New Filling, Heat-Sealing Machine To Make Debut at Packaging Show

Silver Creek, N. Y.—Silver Creek Precision Corp. and Lily-Tulip Cup Corp. plan to introduce a new high-speed machine for filling and heat-sealing food containers.

The machine developed by Silver Creek's Multi-Fill Div., automatically fills and seals up to 120 individual-portion containers/min. Sales and marketing will be handled exclusively by Lily-Tulip which also will supply the containers to be used with the machine.

Silver Creek said the machines will rent for \$120/mo. for the first two years of use and for \$90/mo. thereafter. The firm estimates that the operating cost

of the machines will be less than 9¢/1,000 fillings.

The heat-sealing method permits the packing of many types of liquid and semiviscous products, according to Silver Creek. The containers can stand shaking and are easy to open for either spooning or pouring.

The new machine will be demonstrated at the Lily-Tulip display at the American Management Assn.'s 30th National Packaging Exhibition in Chicago.

Two-Ply Rayon Tires Making Inroads on Sales

Detroit—The 4% price advantage of two-ply rayon cord tires is helping the new design gain significant headway in the battle for the automotive original equipment market.

Here's how two automakers are using the tires, marked "2 super ply" or "2 ply-4 ply rating":

• Forty-eight percent of Ford Falcon and Comet production is currently being equipped with the new tire.

• Chevrolet decided last Feb. 15 to go 100% two-ply on Cor-

vairs "at the rubber companies' convenience" following installation of more than 11,000 unmarked sets on Corvairs produced in January.

Performance characteristics are proving a strong selling point for the two-plys. A slight increase in fuel economy has been noted, and the tires reportedly run cooler at high speed. Example:

Previous capability of four-ply tires made of Tyrex or equivalent rayon was 105 mph for one hour at 100 F ambient and 140 F

road temperature. The two-ply tire is capable of 112 mph under these severe conditions.

To counter the inroads of two-ply rayons, some two-ply nylon tires have been marketed through auto stores in the replacement market.

Two-ply rayon tires are variously made with 1650, 2200 and 3300 denier cord.

On April 1, producers of Tyrex rayon will begin supplying a yarn designated "Super III." It is claimed that this will have 10% greater tensile strength.

Chase Brass and Copper Starts Producing Alloyed Rhenium-Molybdenum

Waterbury, Conn.—Chase Brass & Copper Co. has become the first U. S. company to go into commercial production of rhenium-molybdenum alloy.

Chase, a subsidiary of Kennecott Copper Corp., said the new alloy has better mechanical properties than either of the parent metals and costs considerably less than pure rhenium.

The alloy is being produced in rod, wire, and strip form. It is expected to offer particularly stiff competition to tungsten and molybdenum, which are widely used for filaments, grids, and heaters in missile and space satellite control systems and in communications installations.

Chase says the alloy does not have the same tendency as the other two metals to become embrittled at high temperatures.

Chase is making the new alloy in two grades. One is 50% rhenium and 50% molybdenum and the other is 40% rhenium and 60% molybdenum. Wire .1 in. diameter made out of the 50-50 grade sells for \$28/ft., which compares with \$65/ft. for the same size wire made out of pure rhenium.

Simplot Purchases Plant For Making Phosphates

Anaconda, Mont.—The treble superphosphate and ammonium phosphate plant at Anaconda Co. here has been purchased by J. R. Simplot Co., Boise, Idaho.

Simplot, which had been leasing the local facilities, said the newly acquired production equipment will be moved by rail and truck to the company's Pocatello, Idaho, phosphatic fertilizer complex. The purchase will enable Simplot to produce ammonium phosphates for the first time and to hike over-all phosphate output by 80% to 100%, the company said.

UAL—Aeroflot Pact

New York—United Air Lines announced the signing of an interline traffic agreement with Aeroflot, the Russian airline system. The agreement provides for issuance of single tickets for passenger travel or cargo shipments over the passenger-cargo service routes of both carriers.

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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Nice Guys Don't Win Ball Games

Industrial Relations News, a leading publication in the personnel field has issued a brief in defense of bosses who take a hard-boiled, no-nonsense attitude toward their subordinates at a time when most business pundits are busily preaching the gospel of "universal happiness."

IRN contends that too much mollicoddling and paternalism tend to discourage leadership and initiative and to create a climate which allows misunderstandings among employees to flourish like the green bay tree.

The trouble is, according to IRN, that many personnel relations programs overlook the fact that "nice" guys don't necessarily make the best leaders—or that happy people aren't always the most productive workers. A policy of toughness, however, doesn't mean that the good executive constantly carries a chip on his shoulder, but it does require that he be capable of standing firm when the occasion demands.

Such a forceful approach could create a degree of resentment at first among employees, the magazine admits, but in the long run workers come to appreciate the necessity of a strong hand, especially when they are made to see that it's all for the common good.

How to Be Successful

A British author who cloaks his identity under the pseudonym Mark Caine has written a book about the "S-man," that professes to "explain" how to achieve success in the business world. Caine's formula for becoming an S-man (S=Success) flouts all the accepted maxims, but has

the supreme merit of putting high accomplishment within the easy reach of anyone who can grasp the following few simple truths:

- The aspiring S-man won't clutter up his mind with genuine knowledge about anything, on the theory that all that's needed is a show of knowledge without any of the substance. He must learn early in the game to talk glibly about a subject and then to pass on to other matters—as soon as he's conveyed the impression that he has a firm grasp of the fundamentals.

- He learns to recognize talent whenever it crosses his path and to recruit it to build up an organization, while he takes all the credit.

- He never admits making a mistake, but instead passes the blame to other people or to the "organization."

- He cultivates important people and others who can be useful to him in a business way.

- And, finally, he is prepared to deny under oath that he has used any of the foregoing methods to get where he is. When called upon to explain his success he falls back upon the usual platitudes—honesty, integrity, and hard work.

"That," says the author, "is the final proof of (the method's) efficiency. The method is so much part of the man who uses it properly that he will become quite incensed at the notion that he owes anything to it. In the true success the man and the method are one."

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PURCHASING PARADE

Personal glimpses of P.A.'s as they march by in the news



Tea for Three: Nothing like a spot of tea to perk you up after a big purchase—especially for **John F. Halloran**, Manager of Purchases, Tea Dept., for the Salada-Junket Div. of **Salada-Shirriff-Horsey Corp.** (Woburn, Mass.) He has doubled as head tea-taster for the past 40 years.

Halloran (middle man in the trio depicted above) observes the old motto—Take Tea and See—and helps top management keep tabs on India and Ceylon, the company's biggest sources of tea. He remembers one time during World War II when he and another tea-taster had to grade 8 million pounds of tea from two steamers unexpectedly diverted to Boston. It took them several months.

The woman P.A. in the upper right hand picture knows what to look for when she's shopping for celery. **Lis Scinocca**, who selects her order right from the field (not the supermarket shelves), is resident celery buyer at Sanford, Fla. for **The Chun King**

Corp. of Duluth, Minn., and sometimes travels as far as 1,000 miles in three weeks to visit the various fields.

Mrs. Scinocca succeeded her late husband, Joseph, at the celery buying job, and has this to say about it:

"After having shipped thousands of pounds of celery, I still get a kick when another load takes off and the celery gang says, 'There goes another load of chop-chop.'"

Here are some newsworthy notes on P.A.'s who devote their spare time to community activities:

- **Chester G. Haschke**, Asst. Purchasing Agent of **Dallas Power & Light Co.**, recently was elected vice-president of the Texas Junior Chamber of Commerce of which he's been a member since 1955.

Since then Haschke has been named "Jaycee of the Month"; has won many state and national awards as general chairman of the Inter-Club Relations; has served as v.p. for civic affairs; and presently is state director for the



Dallas club. He's a member of the American Institute of Electrical Engineers and the P.A.'s Assn. of Dallas.

- **David H. Shearer**, recently made **Manager of Purchases for Premier Industrial Corp.** (Cleveland), is a firm supporter of more foreign language education in our elementary schools.

Shearer was instrumental in organizing French classes for school students in the lower grades in Dearborn, Mich., before coming to Cleveland, and points with pride to the fact that his 10-year-old son, **Dave**, speaks French fluently. Shearer is also active in his community's PTA.

- **J. T. O'Brien**, P.A. at **Esso's Baton Rouge Refinery** (La.), is the newly elected president of the East Baton Rouge Parish Council of Camp Fire Girls.

- **New Director of Purchases at Dow Chemical Co.** (Midland, Mich.), **David C. Baird**, is a former member of the Board of Directors of Junior Achievement in Midland, and served as chairman of an Explorer post in Scout work.

PURCHASING WEEK ASKS . . .

How long a training period do you set up for a new man in purchasing?



J. W. Watson, director of purchases, Continental Aviation & Engineering Corp., Toledo Division, Toledo:

"We like to start a new man as a junior buyer in the MRO section for six months. He is then transferred for another six months to the administration section to acquaint him with the procedures and contractual requirements of the Air Force, for which we are prime contractors. He would next be made a junior buyer in tool procurement or in a productive-type material buying section for a year. Then we would consider him ready for promotion to a senior buyer in whichever section he is most suited for. Total time required—two years."



W. J. Matthews, director of purchasing, Falstaff Brewing Corp., St. Louis:

"I would say the shortest training period would be one to three years and perhaps at most one to five years. This depends on the man's capabilities, his previous background, and what procurement responsibilities he is going to handle. If you take a young man directly out of college, then I would say one to five years. As for the man who has come up through the ranks, perhaps from production or sales, training him might be relatively easy—the period could be one year or less."



G. J. Levinson, purchasing agent, Diana Stores Corp. (retail apparel shop chain), New York:

"We have no set program but feel we can train someone with a minimum of knowledge in roughly three months. One month would be spent in statistical work and price control; another in learning the technical aspects of the job with regard to the specific items we purchase peculiar to our industry—display fixtures, manikins, etc.; the other month would be spent learning vendor sources and developing value analysis techniques."



M. E. Munroe, Jr., director of procurement, Minneapolis-Moline Co., division of Motec Industries, Hopkins, Minn.:

"A normal training period is approximately one year, depending upon the man's qualifications. The type of buyer we employ is basically a production engineer. A man with this type of training proves himself invaluable with his ability to analyze and develop cost information. This allows the buyer to properly evaluate quotations and sources of supply as a senior buyer in charge of a group."

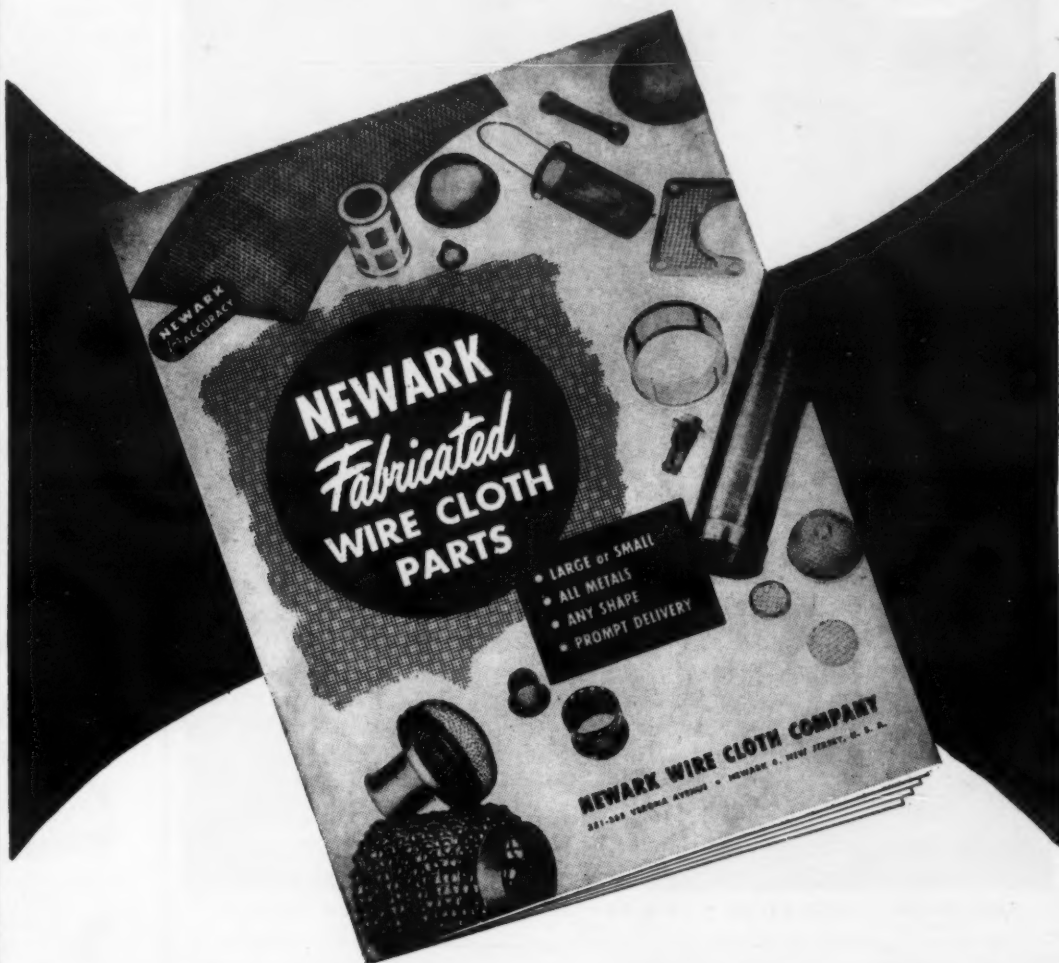


Fred Messina, purchasing agent, P. Ballantine & Sons, Newark, N. J.:

"Constant education or training is most important, so I would say there is no time limit. I feel a new man should get to know the plant people, their needs, their equipment, and what they expect of us. He should get to know suppliers and their representative to estimate and understand their potentialities. A new man should be familiar with the system of invoices, contracts, etc., in purchasing—and only then can he start to be of some real value."

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New York 36, N. Y.

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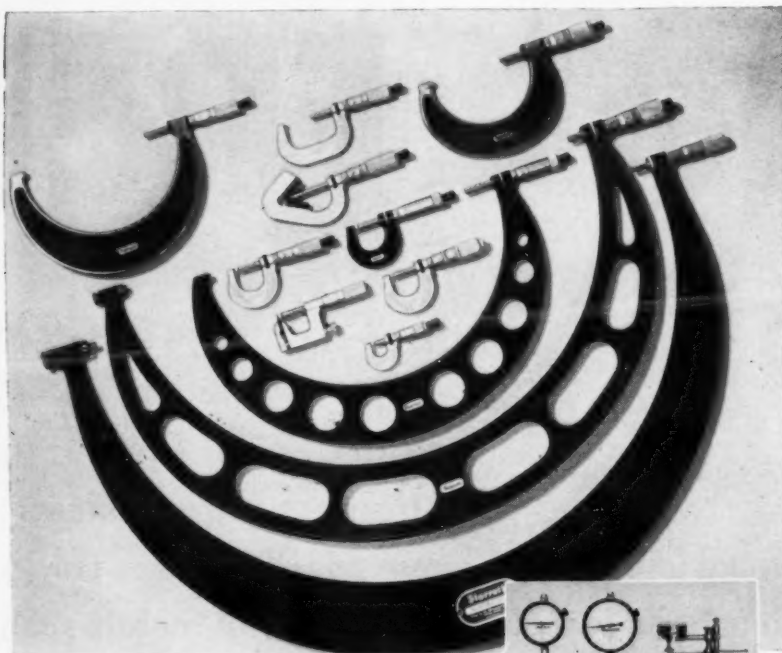
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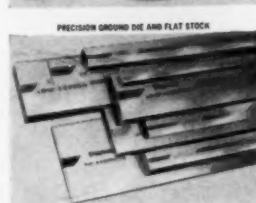
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Product Briefs

Cleaner removes rust, carbon, scale, and paint from ferrous metals without danger of hydrogen embrittlement or dimensional tolerance loss. Product works in a one-tank operation followed by a pressure rinse. **Turco Products, Inc.**, 24600 S. Main St., Wilmington, Calif.

Tags combine color and design coding for ready product identification during production cycles. They are attached to product groups and component parts for smooth product flow through the plant. **American Tag Co.**, Dept. 58P, 151 Cortlandt St., Belleville 9, N. J.

Grinding wheels for quick metal removal are available in 7-in. and 9-in. dia. with four thicknesses: 1/8 in., 1/4 in., 3/8 in., and 1/2 in. A complete range of grain size from 14 to 120 adapts to uses for removal of excess metal, weld grinding, edge beveling, notching, and general trimming. **Atlantic Abrasive Corp.**, S. Braintree 85, Mass.

Drafting table has completely counterbalanced top. The operator has weight-free control of angle position whether it is towards the horizontal or vertical. Two top lengths of 54 in. and 60 in. are available with a 37 1/2-in. depth. **Mayline Co., Inc.**, Sheboygan, Wis.

Surface finish gives non-slip protection on floors, decks, ramps, docks, elevated walk-ways, and stair treads. It adheres strongly to wood, metal, cement, and floor tile and is particularly useful for surfaces exposed to the weather, or that are oily or slick. **Custom Abrasive Products Co.**, 373 W. State St., Trenton, New Jersey.

Precision dial indicator has total range accuracy of $\pm .00001$ in. It is designed for applications requiring extreme precision. Graduations read in .00005 in. Dial range is $-.0015$ to $+.0015$. **L. S. Starrett Co.**, Athol, Mass.

Adhesive for aluminum foil is heat sealable. It is applied by spray, roller, or brush, and dries to complete transparency. When foil is placed in contact with itself or other surfaces an instantaneous bond is obtained by the application of heat. **Rubba, Inc.**, 1015 E. 173rd St., New York 60, N. Y.

Check valve for in-line installation permits free liquid flow in one direction and checks reverse flow. It is built for operating pressures up to 1,000 psi. and has a flow capacity of 1.0 gpm. The aluminum and stainless steel construction handles any fluid compatible with the materials in a -65 F to $+450$ F range. **Fluid Regulators Corp.**, 313 Gillette St., Painesville, Ohio.

Metal-forming machine is a combination of a sheet bending roll, with capacities from 20 gage to 1/8 in. in widths up to 122 in., and an angle bending roll that takes angles from 1 in. x 1 in. x 1/4 in. to 2 1/2 in. x 2 1/2 in. x 1/4 in. **Hendley & Whittemore Co.**, 100 Blackhawk Blvd., South Beloit, Ill.

Granite surface plates are available with a variety of fixtures for mounting special equipment used in precision measurement and checking operations. Included are threaded inserts, adapter holes, tee slots, and dovetail slots. **Herman Stone Co.**, 1860 N. Gettysburg Ave., Dayton 27, Ohio.

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SAN FRANCISCO PERSPECTIVE



P/W CORRESPONDENT DONALD WINSTON
Focuses a Purchasing Spotlight
On the Gateway to the Pacific

After 15 years of declining traffic, the Port of San Francisco may be experiencing the first stirrings of renaissance. Volume rose by 10% in 1960 to a total of 5.6-million tons, representing cargo valued at approximately \$622-million. It

was the largest upturn experienced by the port since the Korean War, and local businessmen are keeping their fingers crossed that the peacetime trend will continue.

San Francisco civic leaders are taking a deeper interest in how to buttress port traffic. Their activity indicates a growing appreciation of the historic value of sea commerce in the growth of this West Coast city as well as the realization that new so-called glamor industries, while having big impact here, are nevertheless closely tied to national business cycles and defense policy.

Just as the nearby Pacific Ocean keeps the Bay Area relatively warm in winter and cool in summer, so has it provided San Francisco a good basis for economic temperance.

For example, it is to a great degree responsible for the presence of a \$600-million (annual volume) food processing industry. While seasonal, this industry is steady in its long-run tie to the population curve. The industry leader, California Packing Corp.

(Del Monte), showed a 4% sales increase in 1960 to \$350-million and the rest of the industry is likewise doing well.

Several events conspired at the end of World War II to drive port traffic down from its pre-war average of 12-million tons annually (and its wartime peak of 17-million tons) to a figure which in 1958 dipped below 5-million tons. One such factor was the rise of the trucking industry, which irretrievably drew intercoastal and coastwise traffic away from the docks with the lure of lower rates and faster service. The Port of Stockton, 90 miles inland, has drawn off much of San Francisco's bulk cargo, becoming the main terminal port for shipment of Nevada iron ore to Japan and for coastwise coal and produce shipments.

Thus the makeup of San Francisco cargoes is tending toward high-value rather than bulk goods, toward international rather than local traffic. Accelerating this trend is the re-emergence of Japan as a trading power, and growing trade with the new states of Hawaii and Alaska.

As a reaction to growing trade potential, the San Francisco Port Authority has embarked on a vigorous program of port improvement. Port Director Rae F. Watts, was a guiding force in convincing Kaiser Aluminum and Chemical Co. to establish a bulk magnesite facility here, capable of handling 60,000 tons annually. The export target—Japan.

The Authority plans to begin construction this year on a \$26-million Army Street Terminal. Said a port spokesman, "The Army Terminal will turn a big key for us. It will free other facilities for modernization and will let us get our promotional program really underway."

Major construction has started on the Bay Area's first large-scale atomic power plant. The Humboldt Bay Power Plant Nuclear Unit, which will be completed in 1962, is scheduled to put 50,000 kw into the local power network. Designed by General Electric Atomic Power Equipment Dept., it will be the largest single-cycle natural circulation reactor system ever built.

Pacific Gas & Electric Co., owner of the plant, expects it to produce power at a cost competitive with conventionally-fueled installations. Simplified safety design will enable it to be the first atomic plant in the nation to pay its own way fully, producing power at a cost of about eight mills per kilowatt-hour after five years' operation.

GE scientists at San Jose, Calif., have reported significant progress on a technique which may bring the cost of nuclear power down even further. A device known as a plasma diode, utilizing the 4,500 F temperatures developed in the fuel core of a boiling water reactor, has successfully produced an extra bonus of power.

GE believes the technique, within five years, can be developed to the point where the output of a boiling water reactor will be increased by 10% to 20%—a development which would easily nudge nuclear power into full-time competition



Ordinary hydraulic fluid made from mineral oil is ignited by open flame. Torch is 18 inches from nozzle orifice.



Shell Irus 902 Hydraulic Fluid, in the same test, refused to be ignited by 3000-degree flame.

BULLETIN:

3000-degree flame does not ignite Shell Irus 902—the fire-snuffing hydraulic fluid that helps make factories safe from fire

Shell forced Irus®902 Hydraulic Fluid through a .145-inch orifice at 1000 psi pressure. The Irus Fluid was sprayed from the orifice and a 3000-degree flame thrust into the streaming fluid. Irus was not ignited.

Read the advantages of economical Shell Irus 902 and how it can protect your plant.

IRUSS 902 is the fire-snuffing hydraulic fluid that protects lives and equipment.

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But unlike other emulsions, Irus 902 has optimum stability. This is vitally important. It means that Irus Fluid will retain its lubricating qualities far longer than unstable oils—and will not allow the water to separate out. Result: the water stays in the oil, ready to snuff a fire if needed.

Other advantages

1. Cools off systems. Because of its high rate of heat transfer and high

heat capacity, Irus 902 can allow hydraulic systems to run cooler.

2. Resists thickening and thinning. The viscosity of Irus 902 is tailored to protect pump parts during the entire working cycle—from cold start-up to hot, continuous operation.

3. Saves gaskets, packing, hose. Irus 902 is gentle to nonmetallic parts as well as metal. It can be used almost anywhere that you'd use mineral oil.

4. Resists foaming. Irus 902 does not hold captive air. If air is introduced, Irus 902 quickly releases it.

5. Easier to spot leaks. Irus 902 is bright yellow, helps you spot leaks quickly.

For complete details about changing over to Shell Irus 902, contact your nearest Shell Industrial Products Rep-

resentative. Or write: Shell Oil Company, 50 West 50th Street, New York 20, N. Y.

A message to manufacturers of hydraulic equipment

Shell Irus 902 makes an excellent initial fill.

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A BULLETIN FROM SHELL
—where 1,997 scientists are working to
provide better products for industry.

with conventional power plants.

Although attention has been drawn to fission power in recent years, a development of longer-range significance is emerging from the super-secret University of California Radiation Laboratory at Livermore, Calif. A series of experiments designed to produce power from nuclear fusion will reach their climax this spring, and scientists are optimistic over the prospects.

In effect, the Livermore project is aimed at harnessing the power of the H-bomb. Such a development, in effect, would render obsolete all work on boiling water and gas-cooled reactors, by providing a far more abundant power potential than that offered by uranium and other fissionable fuels.

While nuclear, electronics, and aerospace industries are expanding in the Bay Area, they are by no means becoming dominant. A Chamber of Commerce survey ranks the San Francisco Bay Area among the top three in the nation in the degree to which business and industry are diversified.

There are only two points on which the San Francisco metropolitan area varies significantly from national norms. Heavy manufacturing activity was found to be lower, and the concentration of permanent government employees was found to be higher. Both factors obviously tend to reinforce the area's relative business stability.

"The reason we are better off is that nothing can kill us," explains an official of the California Dept. of Employment. "Steel is in a recession, but we don't have much steel capacity here anyway."

Nuclear Service Concern Set Up by Olin Mathieson And 2 Other Companies

East Alton, Ill.—Olin Mathieson Chemical Co. plans to pool its nuclear operations with those of two other companies to form an "integrated nuclear service organization."

The new \$25-million company, to be known as United Nuclear Corp., will be geared for serving industry as well as government. It will concentrate mainly on design and fabrication of reactors, production of nuclear fuel cores and isotopes, and processing of waste radioactive materials.

Resources of the new firm will include the nuclear fuel operations of Olin Mathieson at New Haven and Montville, Conn.; the uranium fuel finishing plant of Mallinckrodt Chemical Works at Hematite, Mo., and the research facilities and personnel of Nuclear Development Corp. of America in White Plains, N. Y.

The plan must be approved by stockholders of Nuclear Development Corp. but not by Olin Mathieson and Mallinckrodt stockholders, because only a part of the total operations of those two companies are involved.

Texas Gulf Builds

Moab, Utah — Texas Gulf Sulphur Co. has begun building a \$25-million potash plant south of here. According to the U. S. Dept. of the Interior, it will be the first potash mining operation to be conducted in Utah.

What we have already has a heavy commitment from the canning industry. Heavy manufacturing is down nationally, but again that's only a small part of our makeup."

Because the food industry, and its attendant suppliers of machinery, are of such local importance February unemployment figures were depressed more for seasonal reasons than for reasons of poor economic health. Unemployment for six Bay Area counties stood in February at 85,300 or 7.1% without seasonal adjustment. Regardless of national trends, local employment officials expect this figure to improve markedly in March.

Stauffer Develops Electronic Refining Process

Richmond, Calif. — Stauffer Chemical Co. has put into operation a new 300 kw electronic beam furnace for refining and casting refractory metals and stainless steels at its Metal Div. plant here.

The step is of major importance, says Stauffer, since high-purity refining by electronic beam processes appears to be an "essential prerequisite" to the successful fabrication of many refractory metals and alloys.

These materials are important in missile, jet aircraft, nuclear

equipment, and other applications where high-strength at elevated temperatures is desired. Metals successfully handled by the electronic beam technique include tungsten, molybdenum, columbium, tantalum, vanadium, zirconium, uranium, hafnium, nickel alloys, and stainless steels.

The new Stauffer furnace, said to be the largest of its type in the world, can handle ingots up to 42 in. long and with diameters of up to 8 in. It has a capacity of about 130 tons/year, which raises total U.S. capacity for

the production of electronic beam refined metals to more than 200 tons annually.

Stauffer said the new furnace may enable it to increase sales of refractory metals by as much as 300% during 1961. The company also expects to increase sales of the furnaces themselves, which are constructed to order and specification by subcontractors. The furnaces are sold (price: from \$35,000 to \$175,000) to firms who use them under royalty-license agreements with Stauffer.

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The nearsighted MISTER MAGOO says . . . "1945? Who could forget that year? Eagle-eye Magoo was mustered out of the Aircraft-Spotting Command, and General Electric invented the slimline lamp. Happy birthday, Slimline! Zounds—they don't make these telescopes like they used to!"



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PICTURES, INC.

Matson Line to Hike Shipping Rates On Routes Between U.S. and Hawaii

Washington—Matson Navigation Co. will increase freight rates 10% between Hawaii and mainland ports, effective April 15.

The new rates will apply to Pacific Coast-Hawaii service, with a similar adjustment expected between Hawaii and the Atlantic Coast and the Gulf Coast.

Rudolph Sevier, president of the company, disclosed the rate increase at a Senate Commerce

subcommittee hearing on the impact of freight rates on the economy of offshore domestic areas.

The company said it had lost \$35,000 before taxes last year on its freight service, even with a 12½% increase collected since September, 1959, and subject to refund. This increase did not receive final approval by the Federal Maritime Board, which will also have to approve the newest increase.

Cut Seen in Kennedy's Highway Tax Proposals

Washington—The House Ways and Means Committee is expected to scale down the sharp increases Pres. Kennedy is seeking in federal taxes on trucks, tires, tread rubber, and diesel fuel.

Kennedy wants these taxes raised—in some cases doubled or trebled—and a scheduled one-cent reduction in the federal gasoline tax cancelled in order to provide additional financing for the inter-state highway system.

At six days of hearings which ended last week, witnesses ap-

pearing before the Ways and Means Committee generally agreed with Kennedy that the highway program should be completed on schedule. But opinion was sharply divided over his financing proposals.

The trucking, petroleum and tire industries, the American Automobile Assn., the National Grange, and the Teamsters Union lined up in opposition to all or part of the proposed tax increases. The National Governors' Conference, the American Municipal Assn. the AFL-CIO, the Ameri-

can Road Builders Assn, and the Associated General Contractors supported them.

The committee is now deliberating whether to approve, reject or modify the Kennedy financing program. A final decision probably won't come until after the Congressional Easter recess, but odds are that a compromise will emerge.

The committee is expected to approve continuation of the gasoline tax at 4¢ gal., canceling its scheduled drop to 3¢ on July 1. This would raise \$600-million, or two-thirds of extra yearly revenue Kennedy is seeking.

Committee members indicated by their remarks and questions during the hearings that they will disagree with Kennedy's proposals for raising the remaining \$300-million. The President wants to increase the tax on diesel fuel from 4¢ to 7¢/gal, on tires from 8¢ to 10¢/lb, on inner tubes from 9¢ to 10¢, on tread rubber from 3¢ to 10¢ and the gross weight tax on trucks weighing over 26,000 pounds from \$1.50 to \$5.00 per 1,000 pounds. These increases would fall most heavily on trucks.

Approval of the tax increases, either at the level sought by Kennedy or on a scaled-down basis, would have an impact on both purchasing and shipping costs. Most, if not all, of the diesel fuel, tire and rubber increase, would be passed on to purchasers. And commercial truckers have warned they would have to raise freight rates to defray their greater fuel and tire costs, plus a sharply higher vehicle gross weight tax.

Court to Define ICC Role In Private Trucking Issue

Washington—The U. S. Supreme Court agreed to rule on whether privately-operated trucks leased to a shipper are exempt from Interstate Commerce Commission regulation.

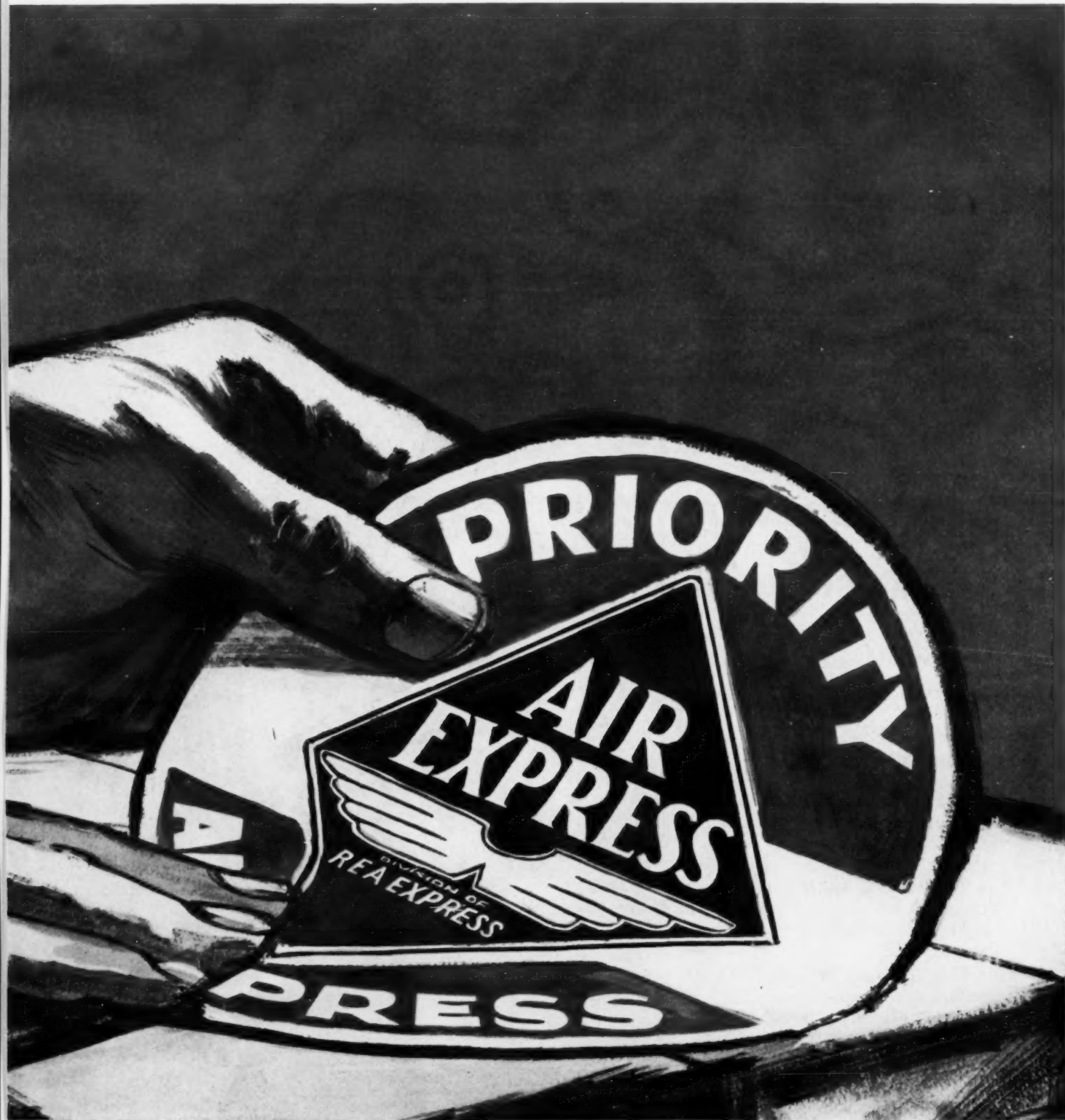
The justices will hear arguments in two related cases: U. S. vs. Henry F. Drum and Regular Common Carrier Conference of American Trucking Assns. Inc. vs. Drum.

At issue is the status under common carrier regulations of a truck owner who agrees to haul loads for a shipper at a fixed rate, and assumes all responsibilities and financial risks for the load. Private truck owners claim such an arrangement exempts a trucker from ICC regulation. But common carriers assert ICC regulations should apply. The ICC ruled that such truckers fell under common carrier regulations, but this was reversed by an appeals court.

New Cargo Foam Developed

Keyport, N. J.—Insulfoam, Inc., has begun production here of lightweight, foam-filled panels which it says provide as much insulation as many conventional materials that are twice as thick.

Designed primarily for refrigerated highway trucks and trailers, railroad cars and containers, the panels are made of urethane foam supplied by Nopco Chemical Co., North Arlington, N. J. The standard panel is 8 ft. long by 4 ft. wide.



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In the World of Sales

Jack C. Hart has been appointed manager of audio visual equipment sales, **Graflex, Inc.**, Rochester, N. Y.

Archer Wombacher has been promoted to general sales manager, **Panellit Div., Information Systems, Inc.**, Skokie, Ill.

Robert T. Kiefer has been named general sales manager, **Volco Brass & Copper Co.**, Kenilworth, N. J.

Raymond G. Sloan, Jr., has

been assigned the post of sales manager of magnetic steel products, **Armco Div., Armco Steel Corp.**, Middletown, Ohio.

Robert F. Gill has been elevated to sales manager, **Fred H. Bostock** was advanced to machinery sales manager, and **Donn E. Nissen** was promoted to district sales manager, **Multiwall Bag Sales Div., Crown Zellerbach Corp.**, San Francisco.

Leonard F. Pinto has been given the post of manager of

sales development, and **J. Korose, A. G. Dreis, C. A. Brier**, and **F. J. Stief** have been made products sales managers, **Newport Industries Div., Heyden Newport Chemical Corp.**, Pensacola, Fla.

William J. Gagnon has been named national sales manager, **Semiconductor Div., Hughes Aircraft Co.**, Newport Beach, Calif.

Fred Jones has been appointed district sales manager, **Consolidated Aluminum Corp.**, Chicago.

This Changing Purchasing Profession . . .

John G. Zuberhuhler was advanced from assistant purchasing agent to purchasing agent, **Transitier Truck Co.**, Portland, Ore.

Russell Wetherell was named to organize and head a newly created purchasing department at **Wah Chang Corp.**'s Albany, Ore., plant.

Robert Powell was named **Wyoming** state purchasing agent and assistant budget officer.

Thomas Conroy has been advanced from buyer to assistant

purchasing agent, **Pfaudler Permutit, Inc.**, Rochester, N. Y.

C. F. Grumley was promoted to corporate director of purchasing and traffic, **J. I. Case Co.**, Racine, Wis. He succeeds **H. J. Maubert**, vice president of corporate purchasing and traffic, who resigned to join **Arthur D. Little, Inc.**, Boston. **B. R. Getman** replaces Grumley as manager of purchasing at the **Clausen Works**.



C. F. GRUMLEY



B. R. GETMAN

Cloice E. Temple, purchasing agent for **Allis-Chalmers Mfg. Co.**, at its Gadsden (Ala.) Works, has been named purchasing agent for the firm's **Norwood (Ohio) Works**. Temple, **NAPA District 7** vice president, succeeds **Roy N. Miller**, who is retiring.



C. E. TEMPLE



R. N. MILLER

William H. Walker, Jr., purchasing manager since 1955 for **Continental-Diamond Fibre Corp.**, Newark, Del., has retired.

Arthur C. Thompson has been named general purchasing agent for the Toledo office of the **Maumee Chemical Co.**

James C. Kershner was appointed purchasing agent, **Monitor Systems, Inc.**, Fort Washington, Pa. He had formerly been assistant purchasing agent, **Birdsboro Corp.**

Theodore R. Blessing, purchasing agent for **Beryllium Corp.**, Reading, Pa., has been advanced to general purchasing agent for the firm.

C. L. Scott was made purchasing manager, **Space Technology Laboratories, Inc.**, Los Angeles.



T. R. BLESSING



C. L. SCOTT

V. J. Rubenstein was assigned the new post of director of materials control at **American Optical Co.**, Southbridge, Mass. **J. L. Hebert**, Southbridge warehouse and inventory manager, succeeds Rubenstein as purchasing manager.

Burton Denman was made manager of supply and purchasing, **Geotechnical Corp.**, Garland, Tex.

FOR
YOUR
WETTEST
JOBS

Wagner® Silicone Rubber Insulated Motors

Power-packed drip-proof polyphase motors that are exceptionally moisture-resistant . . . save you money in lower initial equipment cost for many applications

These are motors that are built to take on and tame the toughest jobs. Big, job-rated motors, available in frames larger than 445U, through 1000 horsepower. Perfect drives that can be used for station auxiliaries, in chemical plants, in rubber and paper mills and in the petroleum industry.

With motor coils completely sealed in a jacket of silicone rubber and housed in a compact, drip-proof enclosure, these Wagner® motors are suitable for use in highly humid atmospheres. They perform perfectly even after long exposure, and at elevated temperatures. Since moisture does not penetrate their tough silicone jackets, they are now used for many installations that once required totally-enclosed motors. Silicone rubber insulated motors cost less

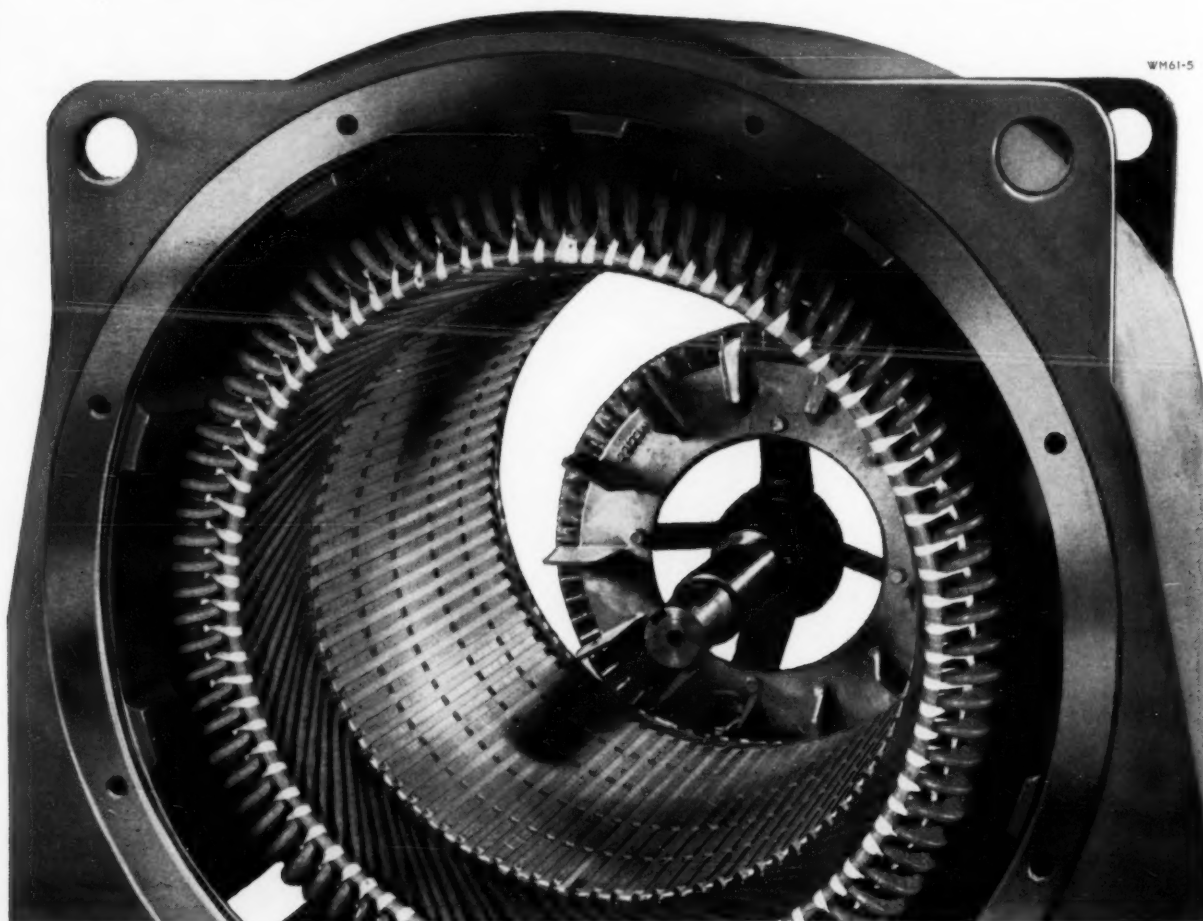
to buy than equivalent totally-enclosed fan cooled motors, since there is no need for expensive enclosures.

But your savings don't stop with initial cost. When rated to match normal load, Wagner silicone rubber insulated motors deliver rated horsepower at top efficiency. They have more overload capacity for temporary overloads . . . reduce downtime while they help keep production levels up.

Like to hear the whole money-saving story of these dependable Wagner silicone rubber insulated motors? Call your Wagner Sales Engineer . . . then settle back for some profitable listening.

Wagner Electric Corporation

6416 PLYMOUTH AVENUE, ST. LOUIS 33, MO., U.S.A.



Industry News in Brief

Air Reduction to Build

Wilmington, Del. — Air Reduction Sales Co. says it is ready to start work on a \$5-million plant in Claymont to serve the Sun Olin Chemical Co. ethylene plant and other firms in the area. Scheduled for completion by the end of 1961, the Airco plant will pipe oxygen directly into Sun Olin's ethylene oxide production facilities.

Atlas Acquires Kliklok

Boston — Atlas General Industries, Inc., formerly Altas Plywood Corp., said it has acquired Kliklok Corp., New York, a manufacturer of high-speed automatic packaging machinery. The Kliklok machines make containers ranging in size from a small lipstick box to a large frame used as an air conditioning filter. Recently, the company has been developing all-plastic packaging for use with automatic equipment. Atlas will run Kliklok as its Automated Packaging Div.

Dashew Adds Outlets

Los Angeles — Dashew Business Machines, Inc., has added more than 100 additional outlets to its sales organization by acquiring Universal Data Processing Equipment, Inc. Universal produces control panels for programming data processing machines, while the Dashew line includes Printapunch data input machines, credit and I.D. card embossing and printing equipment, credit cards, and data processing supplies. Universal will operate as an autonomous subsidiary of Dashew.

Baird-Atomic Named

Cambridge, Mass. — Baird-Atomic, Inc., has been named exclusive sale representative in the U.S. and Canada for the radiation monitoring Film Badge Service of Controls for Radiation, Inc. The film badge is used by nuclear reactor operators, uranium fuel fabricators, public health agencies, and other handlers of radioactive materials to maintain a continuous record of their exposure to X-ray and other ionizing radiation sources.

Harper Buys

Chicago — H. M. Harper Co., Morton Grove, Ill., has expanded operations by acquiring another manufacturer of industrial fasteners, Anti-Corrosive Metal Products Co., Castleton-on-Hudson, N. Y. Harper, which specializes in stainless steel fasteners, will operate Anti-Corrosive as a wholly owned subsidiary.

Pall to Build Plant

New York — Pall Corp., a manufacturer of precision filtration equipment, plans to begin producing fibrous glass through a wholly owned subsidiary, Fibrous Glass Products, Inc. The firm said it will build an integrated glass-making and fiber-drawing plant in Wilkes-Barre, Pa., with an annual

capacity of 10-million lb. The facility is expected to go on stream in January, 1962. Pall will use part of the output itself, while the rest will be available for sale to other manufacturers.

Containers for Hire

Chanhassen, Minn. — Space Structures, Inc., has put into action a plan for leasing its insulated plastic shipping containers. The company is selling the Hitch-Hiker containers to two leasing companies, Lease-Plan

International Corp., New York, and First Equity Exchange, Minneapolis. The containers will be leased by these firms for a monthly charge of slightly more than 2% of the cost of the units.

Erie Plans Merger

Erie, Pa. — Erie Forge & Steel Corp. plans to continue its diversification program by acquiring Continental Rubber Works here, a producer of molded and extruded rubber

goods, wrapped hose and related products. Approximately 40% of Continental's output goes to the auto industry in the form of rubber seals for windshields and rear windows. The merger is expected to be approved by the stockholders of both companies at annual meetings to be held before May 1.

Dictograph Buys Plant

Danbury, Conn. — Dictograph Products, Inc., has acquired for \$500,000 a 50,000 sq. ft. plant here, which will serve as its principal factory and national headquarters. The company has five other plants in the U.S.,

Canada and England. Dictograph's main products include fire alarms for home and industry, internal communications equipment, and Acousticon hearing aids.

Latrobe Buys

Latrobe, Pa. — Latrobe Steel Co. has purchased a controlling interest in Cast Masters, Inc., a Racine, Wis., development foundry that specializes in the production of large precision castings for the pattern making and tooling fields. Latrobe said the move will enable it to offer more helpful technical data to producers of cast tool components.



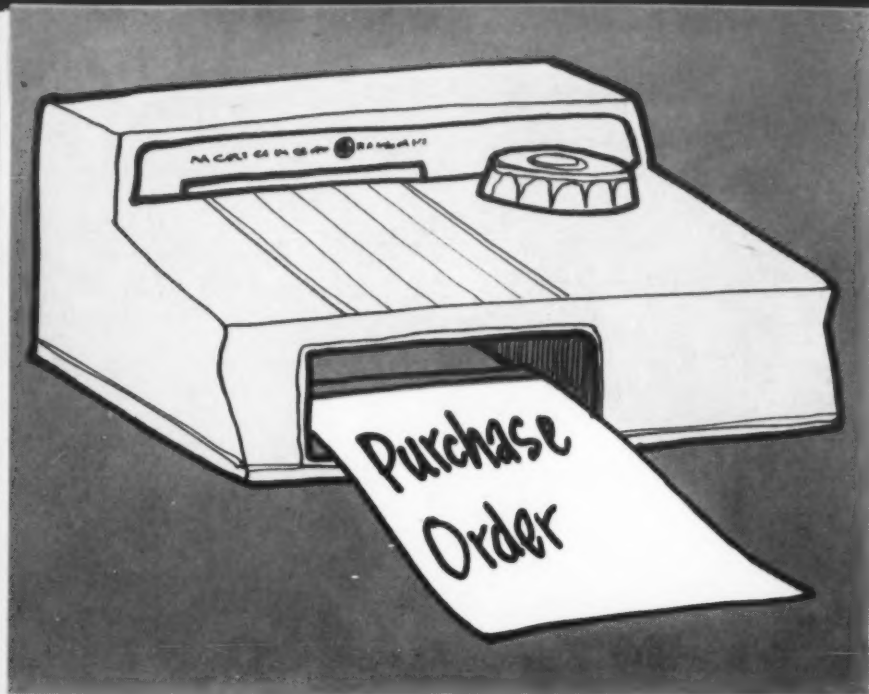
COLD-HEADED SPECIAL PARTS

FOR THE MODERN MISSILE AGE...

With so many things going at jet-power and rocket-speed, it is no wonder that designers and manufacturers are constantly looking for short-cuts, for cost-reducers, for longer life, for efficiency, for product improvement, for profit betterment. The adaptation and adoption of ELCO Cold-Headed Special parts can often gain many of these searched-for advantages. The cold-headed parts shown here are all recent outputs of ELCO engineering brains, planning know-how, and production experience. *If a particular part here interests you, mark it; then tear out this advertisement and send it to us.* We will tell you the whole story on that part, so you can decide if you want something like it. Send us prints or samples of parts you are now using—we would be pleased to quote. *Ask about the services of our process engineering department.*



ELCO TOOL AND SCREW CORPORATION
1123 SAMUELSON ROAD, ROCKFORD, ILLINOIS



How You Can Utilize

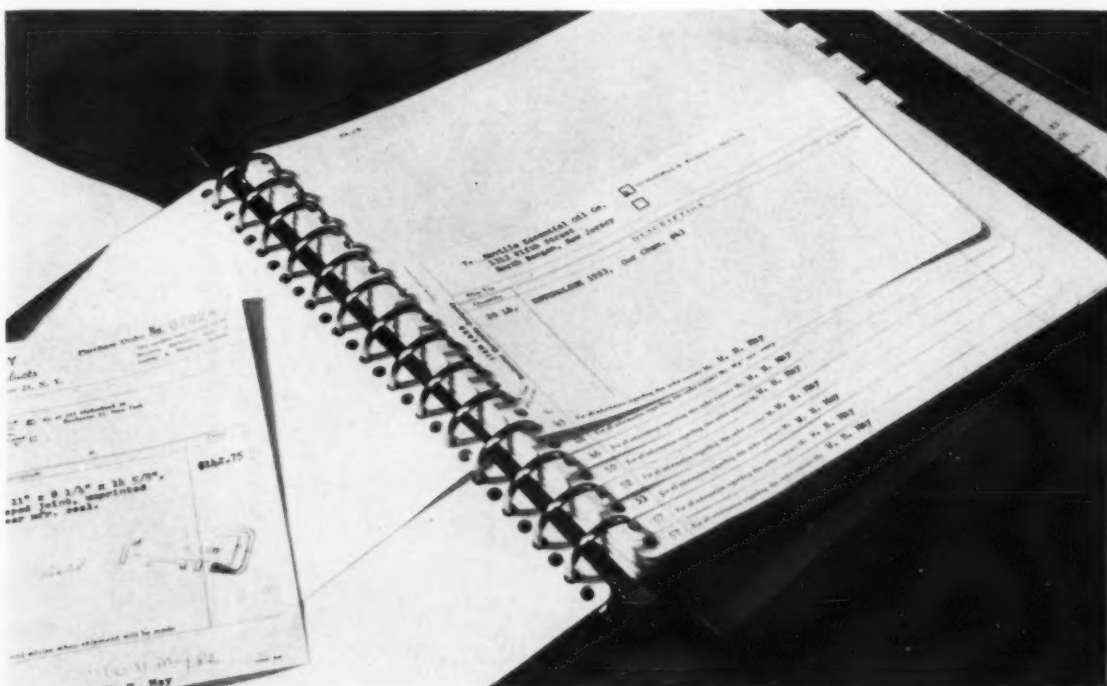
Purchasing agents who haven't reached the computer stage have developed their own brand of "low-cost automation" by fitting standard office copying machines into the purchasing routine. Although techniques differ, the theory is the same: use copying methods to eliminate costly and repetitive typing of purchase and follow-up orders.

Some purchasing departments have found copying machines perfect for simplifying order-writing, others prefer to continue typing orders, but have discovered that copies make a good follow-up tool.

Procedures used at Rochester Germicide (pictured below) parallel those employed in many high-power data processing systems. A separate card for each commonly ordered item contains all necessary product data as well as the vendor's name and address. In a sophisticated EDP system, this same

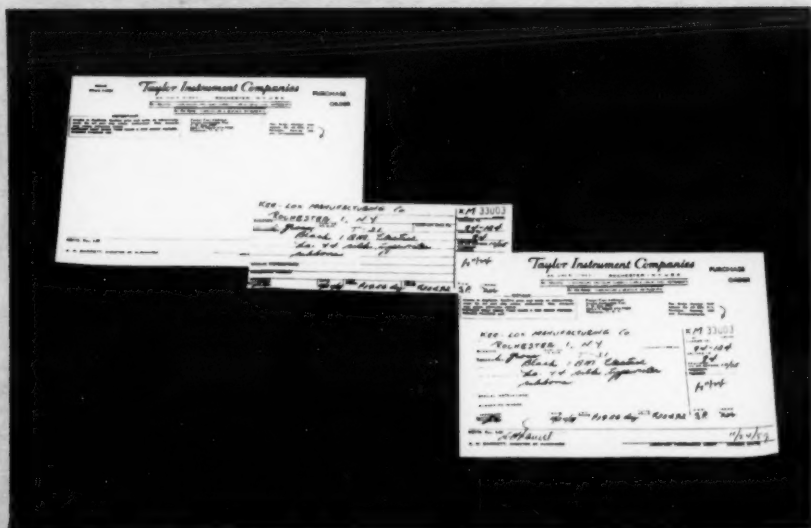


OLD SYSTEM: Typist copies information from vendor cards onto purchase orders as assistant P. A. Milton Shares checks her work.

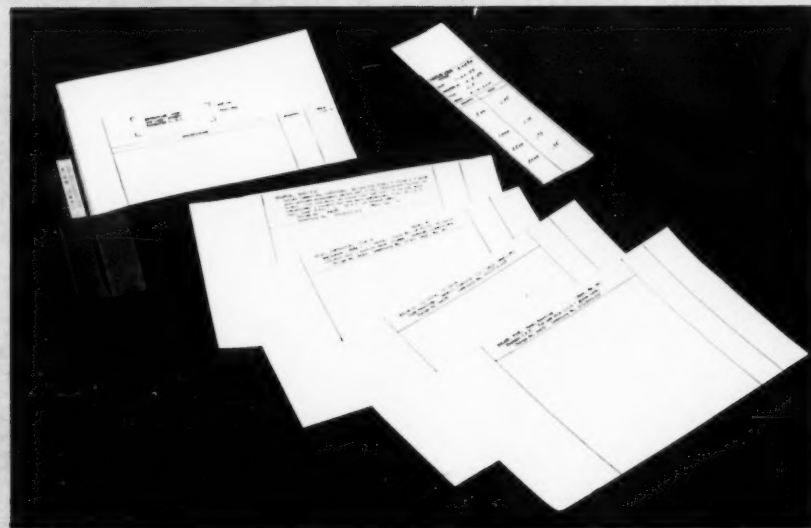


UNDER NEW SETUP, 4 $\frac{5}{8}$ x 9 $\frac{1}{2}$ in. item cards, punched for a ring binder, are substituted for vendor cards. Each new card contains the name of the supplier, the designation of the product, and standard quantity ordered. When time comes to send order . . .

Specialized Uses Range From Ordering



Small Orders: Handwritten requisition from user (center) is attached to preprinted form to become the purchase order. Buyer enters vendor data and control number — has six copies made. System saves Taylor Instruments over \$1,000.



Multiple Orders: Preprinted stock forms (one with vendor's name and address, one for each product) are held together by clamp. Buyer enters quantities on overlay (upper right), makes copies. Product cards also contain inventory.

Copying Machines to Simplify Purchasing Chores

information would be retained in the computer memory; in Rochester's system, the cards are kept in a ring binder.

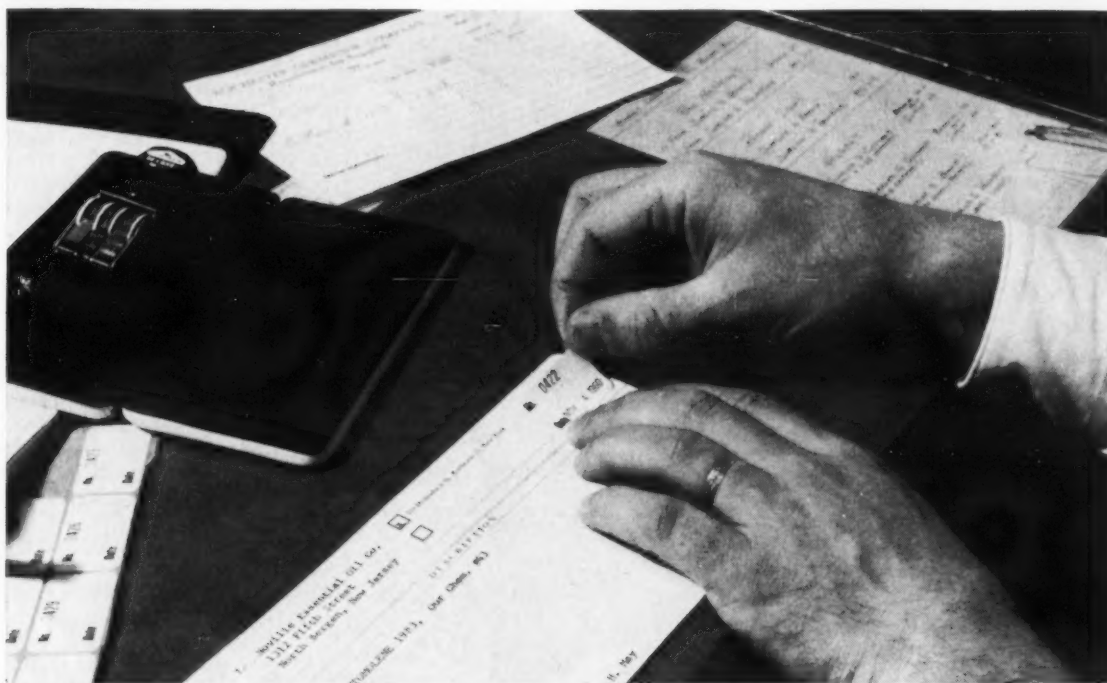
When Rochester gets a requisition, it pulls the corresponding card from the ring binder and attaches a removable label that contains the purchase order number and date. Copies are made for all departments that need them, then forms are sent on their way in window envelopes. And not a typist has touched the order.

The "expense item" system used by Taylor Instruments is the height of simplicity and has eliminated all repetitious work. Taylor has cut processing time of small orders to the bone by turning a requisition written by hand in the shop into a final purchase order. The buyer adds the vendor's name and address to the requisition, makes copies, and speeds the order on its way. The system saves Taylor over \$1,000 yearly.

Superior Plating Co. found that copying was the answer to sending out change orders. The clerk puts the original P.O. on top of a standard change form, then runs both through the copying machine together and sends the combination-copy to the vendor.

Duro Co. continues to type a single copy of all orders, but it uses a machine to make the needed eight copies. Every time a delivery comes in, receiving enters the receipt on its copy of the P.O. Copies are made and sent back to purchasing so the P.A. knows current status of orders at all times.

Use of copying techniques in purchasing hasn't been restricted to any single model or copying method—companies around the country are using a wide variety of machines. Different copiers have certain limitations, so the machine must be matched to the job. Check PURCHASING WEEK's Product Guide (March 6, '61, p. 28) for help in picking the right machine.



APPROPRIATE CARD is taken from binder as requisition comes in, and pressure-sensitive label containing order number and stamped-in date is attached to upper right corner. A second label is used if there are changes from usual order. Now complete . . .



CARDS ARE COPIED in Verifax machine on reprinted color forms. Two go to vendor, three forms are retained for internal use.

to Keeping Tab on Incoming Shipments

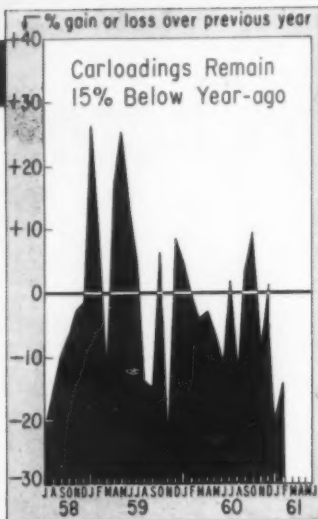
RECEIVING RECORD												
ITEM	DATE	QUANTITY	DUE	DATE	QUANTITY	DUE	DATE	QUANTITY	DUE	DATE	QUANTITY	DUE
1	3/6	25	3/10									
2		1	4/1									
3	4/1	5	3/25									
4												
5												
6												
7												

PURCHASE ORDER	
DURO	517 E. Monument Ave. Dayton 1, Ohio
MANUFACTURERS OF WATER PUMPS • WATER SYSTEMS • WATER SOFTENERS • WATER CONDITIONERS	
ABC Co. 50 Main St. Waukegan	PURCHASE ORDER No. 6009

Receiving Follow-up: As shipments come in at the Duro Co., delivery is noted on top section of P.O. Receiving makes copy on Bruning diazo machine and sends one to purchasing to update the original. Machine also makes copies of first P.O.

CHANGE ORDER	
<p>1. Change delivery address</p> <p>2. Change quantity</p> <p>3. Change price</p> <p>4. Change description</p> <p>5. Change date</p> <p>6. Change quantity</p> <p>7. Change price</p> <p>8. Change description</p> <p>9. Change date</p> <p>10. Change quantity</p> <p>11. Change price</p> <p>12. Change description</p> <p>13. Change date</p> <p>14. Change quantity</p> <p>15. Change price</p> <p>16. Change description</p> <p>17. Change date</p> <p>18. Change quantity</p> <p>19. Change price</p> <p>20. Change description</p> <p>21. Change date</p> <p>22. Change quantity</p> <p>23. Change price</p> <p>24. Change description</p> <p>25. Change date</p> <p>26. Change quantity</p> <p>27. Change price</p> <p>28. Change description</p> <p>29. Change date</p> <p>30. Change quantity</p> <p>31. Change price</p> <p>32. Change description</p> <p>33. Change date</p> <p>34. Change quantity</p> <p>35. Change price</p> <p>36. Change description</p> <p>37. Change date</p> <p>38. Change quantity</p> <p>39. 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Change Orders: When Superior Plating Co. revises orders, a master form indicating changes is superimposed on the original P.O. and copied on a Thermofax machine. One copy is sent to vendor, the other to receiving as a shipment check.



P/W TRANSPORTATION MEMOS

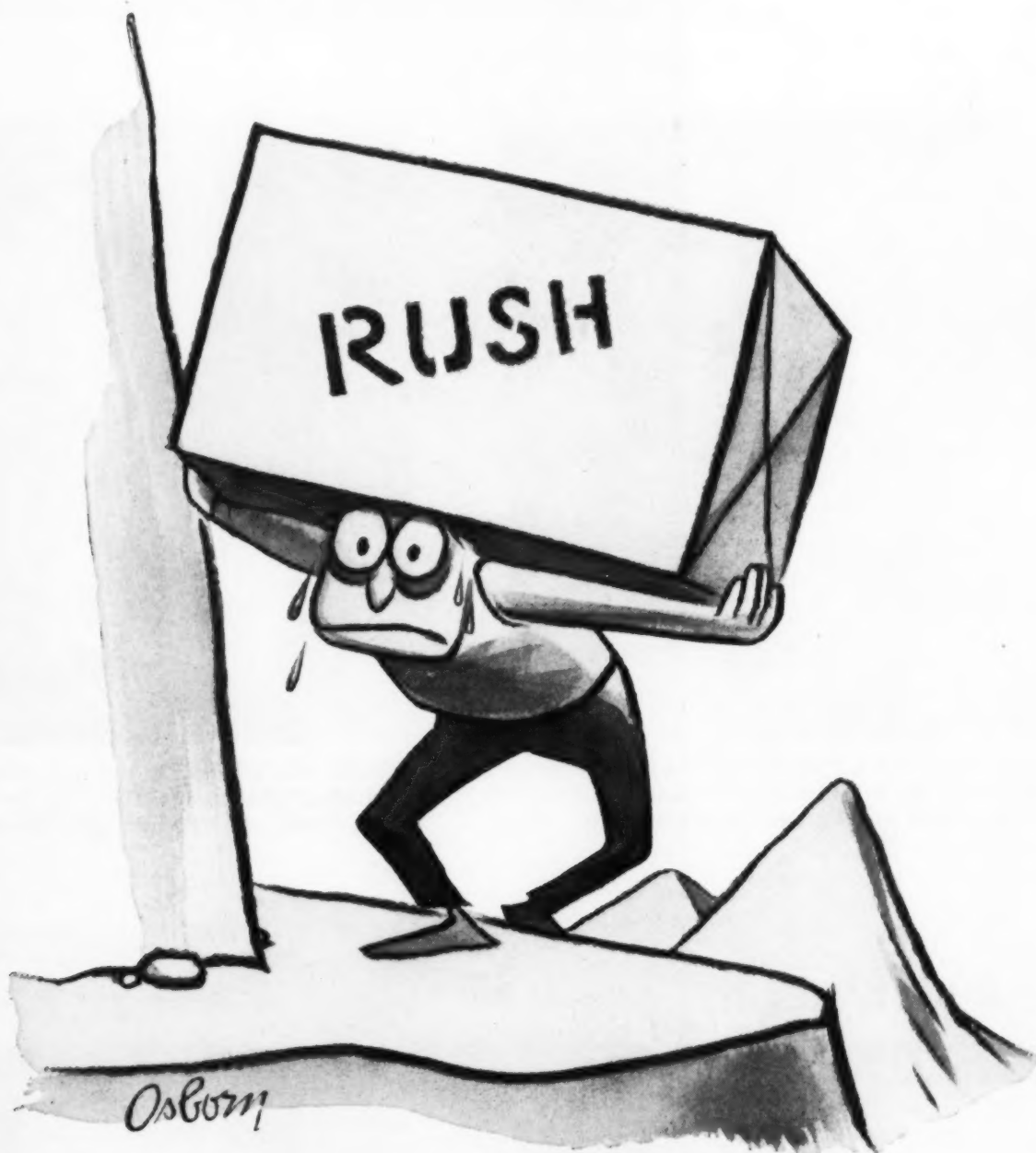
TRUCK RATE INCREASES HIT SNAGS: Shipper resistance to motor carrier rate hikes is making itself felt in the number of snarls these proposals are running into among carriers themselves.

One example is the number of "flag-outs" threatened by carriers in the Midwest on a surcharge proposal by the Central States Motor Freight Bureau. The proposal: a \$1 surcharge on all shipments regardless of weight and an increase of 50¢ in minimum charges, to become effective April 14. The Bureau's previous proposal limited surcharges to shipments up to 2,000 lb

The Middlewest Motor Freight Bureau reversed itself on a 5% rate increase proposed last month. The standing rate committee decided after a public hearing to limit the 5% increase to longer haul shipments to the Southwest only. Effective date: April 15.

CENTRAL GETS GO-AHEAD: Railroads got another foothold in the motor carrier field last week. The New York Public Service Commission gave the New York Central permission for its trucking subsidiary, New York Central Transport Co., to make intrastate cement deliveries direct to customers instead of to railheads for rail shipment.

Railroads seldom are permitted completely independent truck transport services (the New Haven Railroad's New England Transportation Co. is one of the few), and truckers oppose any step which could lead in that direction. Truckers are also protesting the Central's application to remove 33 of 45 "key points" along the railroad at which its trucking subsidiary must begin or terminate shipments. The railroad claims the request is aimed at more economical LCL operations, not at increasing business, as truckers contend.



DIAGNOSIS: ACUTE REMOTE-DELIVERY PRESSURE

CURE: AMERICAN AIRLINES TRUCK-AIR SERVICE

American Airlines AIRfreight links your plant with 3,042 communities in the U.S.A. through its special trucking service. Pick-up and delivery is by fast truck, meaning that 3,042 markets are reached with the speed and dependability of American AIRfreight.

One phone call and American's AIRfreight specialists will have your freight on its way to destinations you may have thought inaccessible. These added markets can mean new customers, more profits.

Service like this is only one of the reasons why more

people ship American than any other airline. American's fleet of DC-7 AIRfreighters, jets and other combination planes carries more freight than any other airline. And the world's most experienced AIRfreight specialists guarantee your shipment will have expert handling. Ship with the professionals—call American AIRfreight.

AMERICAN AIRLINES
America's Leading Cargo Airline

PRIVATE VS. CONTRACT: Are shippers who lease vehicles on a per day arrangement subject to ICC regulation?

In a recent case, Oklahoma Furniture Co. contended it was not in the trucking business when it leased trucks by the day from three leasing companies for delivery of its own goods. However, the ICC ruled that the leasing companies were operating contract carriage without authority. When an Oklahoma district court overturned the ruling, the Regular Route Motor Carriers Conference appealed to the Supreme Court, which agreed to decide the matter.

RAIL-VESSEL HOOKUP: Joint rates on a container service linking Northeastern states with Texas and Louisiana is now offered by Seatrain Lines, Inc., and four railroads.

Seatrain will transport highway containers between its dock terminals at Edgewater, N. J., and Belle Chasse, La. At the south end of the run, deliveries will be completed by Kansas City Southern and Louisiana and Arkansas railroads, together with their trucking subsidiaries.

Industrial areas in New England, New Jersey, and much of Pennsylvania will be served by New England Transportation Co. and Reading Transportation Co., trucking subsidiaries of New Haven and Reading railroads respectively.

WAR AGAINST THEFT: The American Trucking Assn. has set up a special committee to explore ways and means of preventing thefts.

The committee hopes to draw up uniform standards for theft prevention based on "exchange of pertinent information between all modes of transportation."

Chairman of the committee is Gunther G. Weinstock of Yale Express.

WHISTLESTOPS: National Safe Transit Committee, Inc., will augment its pre-shipment testing program for damage prevention with a consulting and verifying service administered by Container Laboratories, Inc. . . . **United Parcel Service of Seattle** has applied to the Washington PSC for permission to extend its pick-up and delivery service to most of the state . . . **Ringsby Truck Lines, Inc. of Denver** says it will be able to serve shippers in all parts of California from its Rocky Mountain and Midwest terminals via upcoming purchase of Fortier Transportation Co. (Fresno) and completed purchase of Arizona-Pacific Tank Lines.

Salesmen Field Queries at Atlanta P.A. Meeting

Atlanta—A five-man panel of Atlanta sales executives injected a note of controversy into the monthly meeting of the Purchasing Agents Assn. of Georgia.

The salesmen, members of the Atlanta Sales Executives' Club, opened themselves to a question-and-answer session on purchasing agent-salesman relationships.

During the discussion period a P.A. asked panelists, "Where do these young boys just out of school get their high-pressure sales methods? It seems to me that the older men use the less-offensive sales tactics, and get the business just the same."

Vernon R. Childress, manager of market research and development, Tennessee Corp., replied, "We try to get our salesmen to be congenial and easy to get along with. But on the other hand, we get complaints from purchasing agents who say salesmen talk too much about ball games and tell too many jokes."

"I think you'll find," he said, "that the high pressure boys are after one-shot business—maybe they'll call on you once a year and dig for that one big order."

Another sales-executive panelist had this explanation. "Some sales trainees get themselves brainwashed on a certain product. But over a period of time that high-pressure attitude wears off," said T. B. Donahue, southeastern territorial manager for Scott Paper Co.

"Also," Donahue added, "you might find that there's a tendency to hire the aggressive, go-getter salesman rather than the easy-

going boy. You can take an aggressive salesman and calm him down much easier than you can take an order-taker and make a creative salesman out of him."

The question of back-door selling came up when J. C. Reeves, purchasing agent at Atlanta Newspapers, Inc., asked panel members, "Do you think you get a fair hearing, generally from purchasing, or do you get a better hearing from other people in the plant?"

Donahue answered, "If nobody ever got anywhere by going

around purchasing agents, they wouldn't go around them."

"However, I feel it's stupid to try to get by the P.A. After all, he's usually the only one in the outfit who can sign the order."

The panel also included N. H. Dye, district manager, Lincoln Electric Co.; E. R. Keene, Jr., sales manager, Electric Type-writer Div., International Business Machines; and Carl A. Pruett, president of Pruett, Inc. Howard L. Baer, purchasing agent, Howard Paper Co., was moderator.

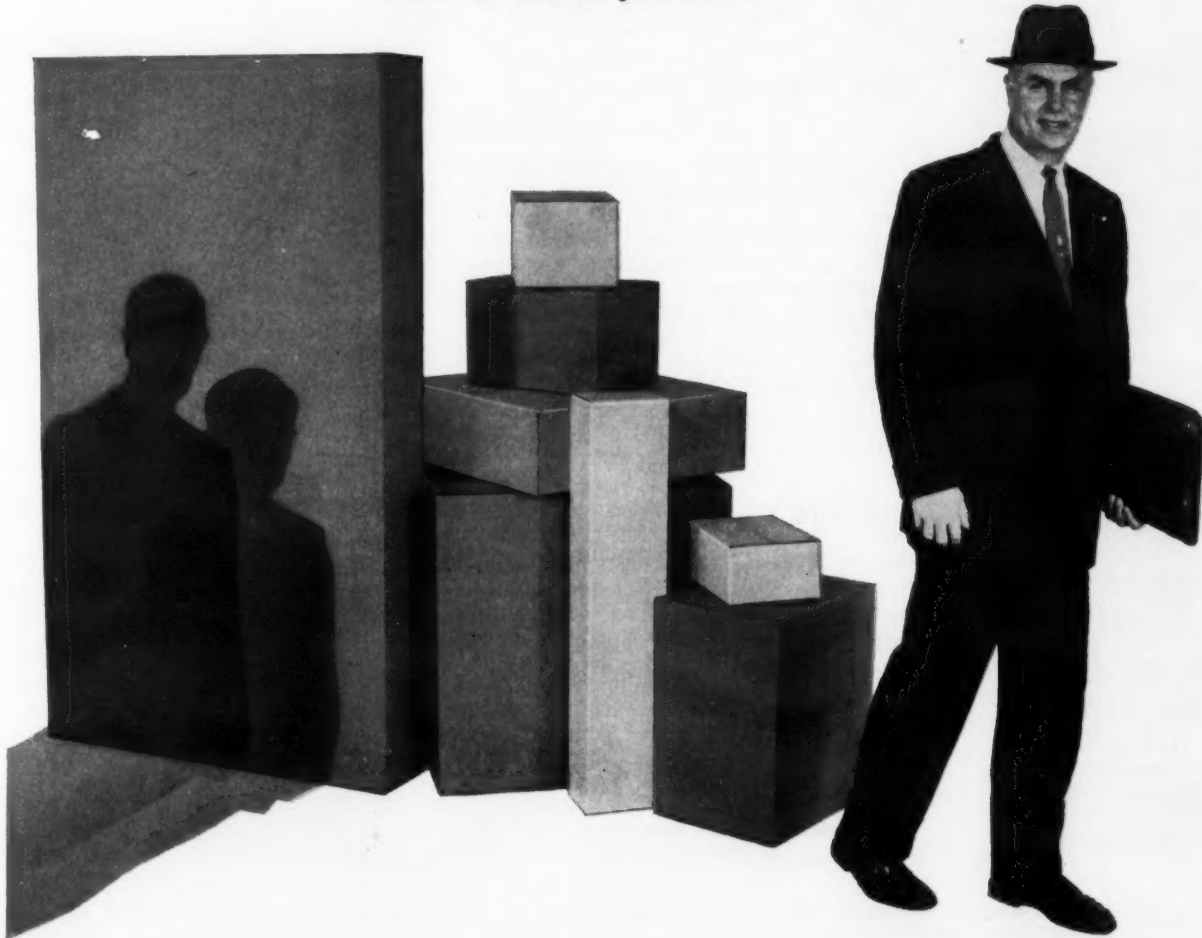


PANELIST V. R. Childress (stand.), mgr. of market research & development, Tennessee Corp., tackles P.A. question at Atlanta Assn. meeting while other members of the salesman panel wait to voice their views.

GAYLORD follows up with complete packaging service

Behind every Gaylord man and every Gaylord box is a fully integrated, nationwide organization staffed and equipped to track down hidden packaging costs before they waylay you.

Don't let design, production or delivery haunt you. Call your Gaylord Man. He's almost as close as your shadow.



CROWN ZELLERBACH CORPORATION
GAYLORD CONTAINER DIVISION



IN CANADA - CROWN ZELLERBACH
CANADA, LTD. VANCOUVER, B. C.
HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

New England P.A. Group Puts Know-How to Work For Benefit of Community

New Bedford, Mass.—Local P.A.'s are busy putting their purchasing knowledge to work in extra-curricular community service.

The Purchasing Agents Assn. of Southeastern Massachusetts has appointed a five-man committee to assist the area's three-town school board in preparing specifications and obtaining bids on equipment needs for a new \$2.5-million school.

William J. Roemer, director of purchases, Acushnet Process Co., heads the committee which includes: Richard H. Ryder, buyer, Acushnet; John F. Callahan, purchasing agent, Revere Copper & Brass, Inc.; Robert E. Crabbe, purchasing agent, Aerovox Corp.; and Fred W. Graeben, buyer, Aerovox.

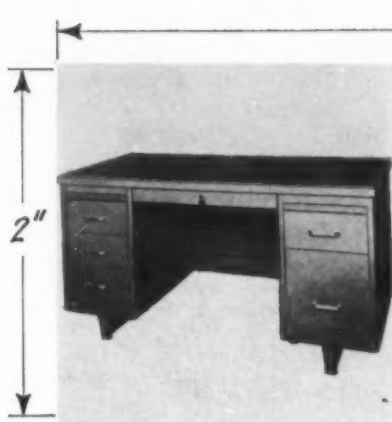
Association president Charles R. Hinkley, purchasing agent at Acushnet, said the P.A.'s would not become involved in the actual determining of the low bidder or in the purchase of the material.

"We are offering our services and experiences," he said, "to help the (school) committee collate the items required into bid form, segregating into groups the items which we think could be supplied by the vendor to whom the invitation is sent."

Roemer stressed that the association was "anxious to help the towns save all the money they can by offering the service of people experienced in the purchasing business and industrial buying."

Here's your weekly guide to . . .

Picture aids product recognition



Steel Desk

Has Linoleum Top

Steel desk is available in grey, olive, light green, and beige with matching linoleum top and anodized aluminum trim. Pedestals are reinforced by six vertical uprights with adjustable island bases. Drawers operate on nylon glides, and adjustable drawer partitions and file drawer compressor are standard equipment.

Price: \$116. **Delivery:** immediate.
Western Mfg. Co., Dept. 21, Aurora, Ill.
(PW, 4/3/61)

Size permits you to paste on 3"x5" card

Copy gives only pertinent details, cuts your reading

How much it costs and how soon you can get it

You'll know when item appeared

Space for your own notes



Spray Attachment

Mounts on Floor Machine

Attachment eliminates the need to treat by hand floor areas requiring special attention. A handle-mounted container with lever and discharge valve permits the operator to spray a wax-water or resinous-water solution without stopping the machine. The spray nozzle, connected to the container by a plastic hose, attaches to the base casting by suction cup.

Price: \$16.50. **Delivery:** immediate.
Multi-Clean Products, Inc., St. Paul 16, Minn.
(PW, 4/3/61)



Mechanical Negative

Cuts Like Stencil

Mechanical negative, which is printed the same way as any film negative, is prepared directly by typewriter or with a drawing instrument. Copy corrections may be made by applying a correction fluid, and continuous tone or half-tone negatives can be stripped in. It eliminates pasteups, setting copy, etc.

Price: \$4.50/box (25 sheets). **Delivery:** immediate.

Polychrome Corp., 2 Ashburton Ave., Yonkers 2, N. Y. (PW, 4/3/61)

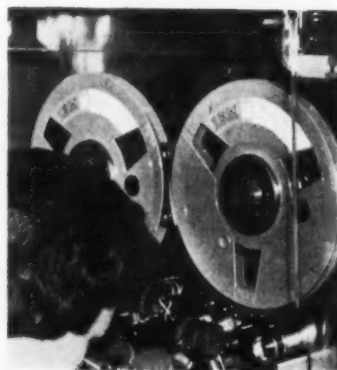


Slide Projector

Works on Remote Control

Projector's remote control unit changes and focuses slides by transmitting high frequency sound waves. It works at up to 40 ft. from the projector, permitting the operator to move about as required and eliminating the need for cueing a projectionist. The slide tray holds up to 40 plastic mounts.

Price: \$269.95. **Delivery:** immediate.
Bell & Howell Co., 7100 McCormick Rd., Chicago 45, Ill. (PW, 4/3/61)



Magnetic Tape

Resists Wear

Magnetic tape with high resistance to wear can be used on IBM 727, 729, 7330, 7701, and 7765 tape drives. It is available in 1,200-ft. and 2,400-ft. lengths in plastic containers. The new mylar magnetic tape presently is being tested to accept up to 556 characters per in.

Price: \$29 and \$43. **Delivery:** 20 days.
International Business Machines Corp., 112 E. Post Rd., White Plains, N. Y. (PW, 4/3/61)



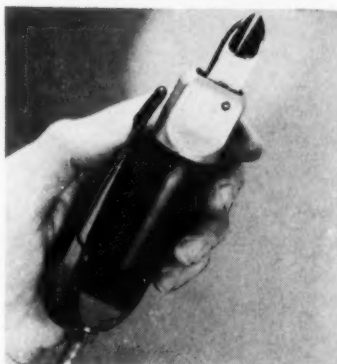
Graphite Coating

Comes in Two Types

Coating solves sliding friction problems and resists corrosion of rust, acids, alkali, brine, salt, and weather. It can be applied by brush, spray, or roller on metal and wood, and resists temperatures from -75 F to +800 F. A heavy-duty consistency leaves a 7-mil coating and a finer graphite leaves a 4-mil coating.

Price: \$2.75/qt. and \$8.75/gal. **Delivery:** immediate.

Superior Graphite Co., 33 S. Clark St., Chicago 3, Ill. (PW, 4/3/61)



Wire Clippers

Use Pneumatic Power

Pneumatically powered clippers for production wire trimming require only fingertip pressure to cut. The tool will work off a 1/4-hp. compressor and will snip soldered portions of 14-gage copper wire. The cutting head, of forged carbon vanadium steel, is easily replaced.

Price: \$69.50. **Delivery:** immediate (after May 1).

Chicago Pneumatic Tool Co., 6 E. 44th St., New York 17, N. Y. (PW, 4/3/61)



Thermoelectric Probe

Identifies Metals

Probe identifies different metals, alloys, and electro-deposited coatings by means of their thermoelectric power. The instrument permits nondestructive testing since probe only has to make contact with two points of the metal piece under test.

Price: \$250. **Delivery:** 30 days.
Electro Impulse Laboratory, Inc., 208 River St., Red Bank, N. J. (PW, 4/3/61)



Face Shield

Protects Against Splashing

Shield fits all safety helmets to protect workers against acids, chemical sprays, or foreign particles while pouring, dipping from vessels, polishing, bottling, grinding, etc. The 16-in. x 9-in. attachment provides unrestricted vision and has a .040-in. thick visor for impact resistance.

Price: \$7.50. **Delivery:** immediate.
General Scientific Equipment Co., Limekiln Pike & Williams Ave., Philadelphia 50, Pa. (PW, 4/3/61)

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.



Tilting Mechanism

Lifts and Dumps Barrels

Mechanism is used with fork trucks, chain falls, cranes, and hoists to lift and dump containers. It handles steel and fiber drums (15-, 30-, and 55-gal. sizes), barrels, and carboys. Units, of all-welded construction, have a 1,000-lb. capacity and weigh from 47 lb. to 80 lb.

Price: \$139.50 to \$159.50. **Delivery:** 7 days.

Pucel Enterprises, Inc., 3746 Kelley Ave., Cleveland 14, Ohio. (PW, 4/3/61)



Measuring Tape

Has Plastic Coating

Precision measuring tape of woven linen comes in 50- and 100-ft. lengths, graduated in feet, tenths of a foot, and half-tenths, or in feet, inches, and 1/4 in. Tapes have a metallic or nonmetallic plastic coating that protects the markings and is cleanable with a damp cloth. The leather case has a precision rewind mechanism.

Price: \$13.75 and \$21.75. **Delivery:** immediate.

Koh-I-Noor, Inc., Bloomsbury, N. J. (PW, 4/3/61)



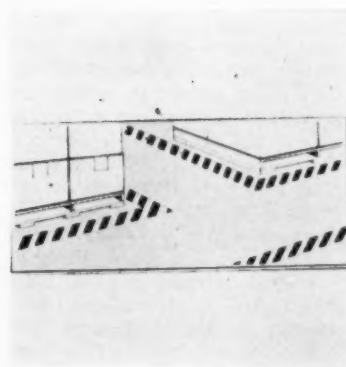
Stencil Holder

Works With Aerosol Ink

Clip on stencil holder fastens stencil securely and holds it flat against surface for inking. Ink formulation in the 16-oz. aerosol can dries in 10 seconds and doesn't run. The method permits fast, clean stenciling without stencil wear.

Price: \$1.50 (holder), \$1.65 (ink). **Delivery:** immediate.

Crown Industrial Products Co., Dept. PW-7, 936 Amsterdam St., Woodstock, Ill. (PW, 4/3/61)



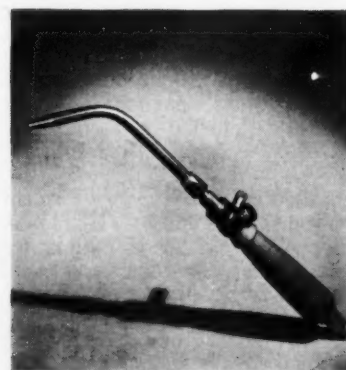
Hazard Tape

Marks Areas

Vinyl tape with bright yellow and black stripes marks aisles, storage areas, or traffic lanes. It is pressure-sensitive and may be applied also to pillars, posts, elevator gates, vehicles, etc. The tape comes in 1 1/2- and 3-in. widths on 54-in. rolls and resists moisture, acids, solvents, oil, and grease.

Price: \$2.90 (1 1/2-in. wide) and \$5.75. **Delivery:** immediate.

Paramount Paper Products Co., Omaha, Neb. (PW, 4/3/61)



Torch

Has Built-In Pilot Flame

Torch with built-in pilot flame need not be shut off when laid aside temporarily where work is intermittent. A main on-off knob regulates the pilot, and a thumb button controls the size and intensity of working flame. The torch comes with a wooden or brass handle and a full line of tips and accessories is available for acetylene or propane.

Price: \$7.50. **Delivery:** immediate. **Acetylene Supply Co., Woodbridge, N. J. (PW, 4/3/61)**

This Week's

Product Perspective

APRIL 3-9

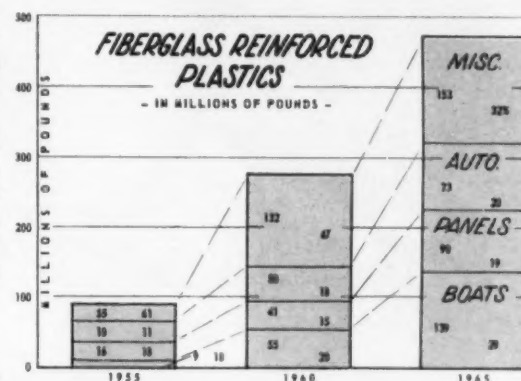
REINFORCED PLASTICS continue to win a wide variety of new jobs and to increase volume on existing applications. Consumption of polyester plastics (almost all of which goes towards reinforcing) went from 17-million lb. a decade ago to 278-million lb. last year.

Reinforced polyesters have some striking characteristics: **Fabricated parts are lighter than aluminum and yet (by some tests) stronger than steel; they resist erosion, rust, chemicals, solvents, salt water, rot, and exhaust fumes.**

Use of plastics has led to substantial savings over metals, alloys, and rubber laminates in many industrial parts. **Applications for use in corrosive areas have been especially fruitful.** Products in volume use include: process and storage tanks, gas scrubbers, exhaust ducts, hoods, stacks, tote bins, trays, ladders, etc. Other growing applications: tank linings, pressure vessels, filters, fans, housings, shields, cooling towers, and instrument cases.

Lack of mechanized processing methods has held up even more widespread use of reinforced plastics, but new techniques promise to reduce labor content. The use of spray guns for putting on resin is growing, and "premix" compounds mixture of chopped glass fiber, filler, catalyst, and resin) are gaining acceptance. Use of pre-impregnated fabric or web is increasing—although it is estimated this technique still takes less than 30-million lb. of plastics a year.

BOATS continue to be the biggest single reinforced plastics user. From a zero penetration in 1953, plastics won 15% of the market in '56 and took 31% last year. A steady increase in market penetration coupled with increasing demand for boats should strengthen its grip on the No. 1 spot.



CONSTRUCTION applications are the runner-up in total pounds used. Architectural sheets are extremely versatile and serve hundreds of needs. They are offered for decorative purposes and in combination with various other building materials for structural members.

One new construction use with a bright promise is as reinforced polyester forms for pouring concrete in building construction. These forms can be reused, weigh only half as much as lumber, can be designed for complex shapes, and allow smooth interface finishes.

AUTOMOTIVE applications are growing in both laminate and premix areas. Conventional laminates are used for vehicles made in volumes too small to justify expensive metal dies, while premix molding compounds are used in mass production applications. Premix takes most of the volume, but laminates are growing rapidly in trucking. Reinforced plastic parts are cheaper than steel until an annual volume of about 20,000 to 30,000 pieces is reached, at which point metal dies needed for steel stamping become economically justifiable. Weight saving, freedom from corrosion, ease of repair, and better insulation all work in plastics' favor in truck bodies.

ELECTRICAL uses include laminated or molded shapes for insulating material which can be produced rapidly and sawed, milled, drilled, riveted or cemented.

CONSUMER products include everything from fishing rods to swimming pools. Structural advances have been made in cabinets, and premix compounds allow production of 50 to 60 large pieces or 200 to 300 small pieces per hr. Reduction in number of pieces and simplified assembly give premix a competitive edge over metal stampings in moderate volumes.

AIRCRAFT AND MISSILES volume is declining sharply as aircraft are superseded by less numerous and smaller missiles. Technical advances in this field are more impressive than total tonnage since relatively expensive techniques (such as filament winding and pre-impregnation) have been developed to give extremely strong and lightweight parts.

Olin Mathieson Develops Process To Get Aluminum From Clay, Shale

New Haven, Conn.—Olin Mathieson Chemical Corp. has developed a process for making aluminum from common clay and shale.

Olin says that, although considerable development remains to be done, the method's cost, as compared with the conventional Bayer process of deriving alumina from bauxite, is "attractive."

Since clay and shale are abundant in the U.S. use of the new process could release aluminum suppliers from their dependence upon foreign bauxite, now drawn chiefly from the Caribbean-South American area. Another prime source is the shale overburden removed during coal mining. This would allow selection of new aluminum processing sites to be based on the availability of cheap

coal power and shale, rather than on proximity to bauxite-unloading deep water ports.

Olin's process includes three steps: (1) acid-leaching of the clay or shale to put aluminum sulphate and iron in solution, (2) creation, by evaporation, of aluminum sulphate crystals, and (3) processing of these sulphate crystals into alumina.

The development follows 25 years of government and industry research estimated to have cost \$25-million. Olin will go ahead with further pilot work but does not expect the process to be ready for commercial application soon. It does, however, expect the world's aluminum industry will "take a good, long look at the process" as a potentially abundant and cheap source of the metal.

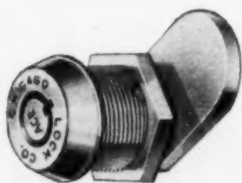


THE KEY TO YOUR SECURITY DESIGN PROBLEM

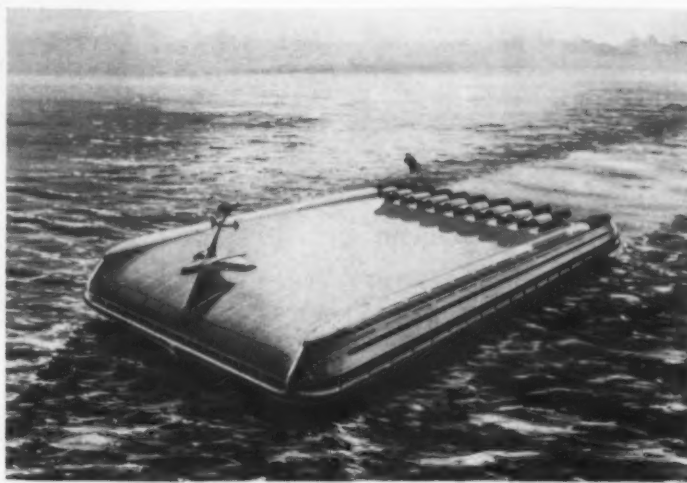
If the equipment or product you are designing should have a lock, it should have the unique Chicago ACE® Lock. The above key fits the circular keyway of an ACE lock and is as symbolic of maximum security as it is different from conventional keys.

Because of the intricate tumbler combinations possible in a Chicago ACE Lock, you can specify your own registered, unduplicated key cut with duplicate keys available from the factory only.

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AIR CUSHION CRAFT designed by Bell Aerosystems skims inches above water. Experimental model can go 15 mph with 3 people aboard.

Bell Introduces Experimental Craft That Rides Air Cushion Over Water

Buffalo—Bell Aerosystems has demonstrated a highly maneuverable experimental vehicle which travels over water on a cushion of air.

The 2,000-lb. 18-ft. air cushion vehicle (ACV) is powered by

a 65-hp. automobile engine driving a fan mounted horizontally amidships. The fan drives air under the vehicle, forming a pressure pocket to lift it. Metal fins rimming the lower sides regulate the escape of air.

Enjoy Begins Marketing New Polypropylene Line

New York—Enjoy Chemical Co. has announced a new polypropylene grade, Escon 125, that can withstand high temperatures for extended periods. It is priced at 46¢/lb. in 20,000-lb lots, natural color.

The molding material is intended for use in parts subjected to repetitive, long-term heat exposure, including radio cabinets, under-the-hood automotive parts, lighting fixtures, and appliance parts.

The polypropylene's melting point is 335 F; melt index, 5.5 at 230 F. Test specimens have withstood more than three months of oxidative aging at 300 F, and specimens evidenced no failure after more than six months at 250 F.

The ACV, which operated about three inches off the ground, demonstrated agility in sideward, forward, and backward maneuvers, as well as pivoting within its own length. Airborne, it is capable of 15 mph. ground speed with three passengers aboard.

Manufacturers of air cushion craft say commercial use will include ferrying passengers, between water-bound airports and metropolitan centers, and emergency seaport vehicles for ready transport of rescue teams to disaster scenes.

Pitney-Bowes Buys

New York—Pitney-Bowes, Stamford, Conn., will purchase Underwood Corp.'s wholly owned West German subsidiary, Adrema-Werke, G.m.b.H. Adrema, does an annual volume of about \$5-million in addressing machines and business systems.

Automatic Device Controls Tedious Production Steps

Newark, N.J.—A new programmer, recently developed by Industrial Timer Corp., now is being used to control automatically the timing of steps in repetitive manufacturing operations.

The device, which is about the size of a filing cabinet, uses punched cards or tape to turn up to 85 switches on and off in any desired sequence. Installations already completed include:

- A division of Square D Corp. uses the programmer to help control a metal reversing mill which rolls ingots into strips, slabs, billets, and structural shapes. Company engineers devised an automatic metal-positioning system which operates "on cue" from the card reader.

- A leading electronics company put the programmer into a transistor testing sequence. As each transistor comes off the manufacturing line, it is given a thorough series of performance quizzes, timed by the programmer. The answers are fed to computers for grading and analysis.

- Bethlehem Steel Corp. uses the programmer in its 18-in. blooming mill at Steelton, Pa., to control the height of the mill's movable upper roller. Previously, two men had been required to operate the controls and check the rolling schedule.

The programmer eliminates the need for tedious manual resetting when a new program is desired. Instead, the sequence of steps can be varied merely by replacing the punched card or tape with its corrected counterpart.

The card programmer is similar in function to an 85-contact, 30-step switch. That is, it can control up to 30 separate switching actions. The tape programmer also has 85 contacts, but the number of steps is limited only by the tape's length.

Budd Moves Automotive Headquarters to Detroit

Detroit—Budd Co., which manufactures wheels, brakes, brake drums and metal body-stampings for the automobile industry, has moved its automotive divisional headquarters to Detroit.

A stamping plant and frame plant remain in Philadelphia, and Budd's Indiana plant will continue to make Rambler bodies.

The move will enable Budd to:

- Produce demountable, lightweight rims for truck and trailer wheels for the first time with equipment obtained in last year's purchase of American Machine and Foundry's Cleveland Welding Div.

- Produce 34,000 passenger-car and 4,500 truck and trailer drums per day. Installation of a new nine-ton capacity holding furnace, says Budd, will make its brake drum foundry the most highly automated in the industry, with the greatest production capacity.

Automotive Div. President Thomas J. Ault says Budd will spend more than \$7-million for improvement, replacement and expansion of the Detroit plant by the end of 1961, including \$3,380,000 for new mechanized foundry equipment.



EDMONT CASE No. 673: Handling caustic soda, \$21 a dozen rubber gloves wore out in 5 shifts. Edmont recommended a gauntlet coated with reinforced neoprene (No. 922 Neox), which wore 20 shifts, reducing glove costs 83%.

Outwore rubber gloves 4 to 1

In the case above, the job-fitted glove reduced glove costs from 4½¢ per man-hour to ¾¢. Its reinforced neoprene coating gives best all-around resistance to caustics, chemicals, snags, abrasion and heat. Wing thumb and curved fingers improve fit and grip.

Free Test Offer to Listed Firms: Tell us your operation. From more than 50 types, we will recommend correct job-fitted gloves and send samples for on-the-job testing. Edmont Inc., 1254 Walnut Street, Coshocton, Ohio. In Canada, write Edmont Canada Ltd., Cowansville, Quebec.

Edmont
JOB-FITTED GLOVES

Meetings You May Want to Attend...

APRIL

Pacific Northwest Purchasing Agents' Conference—Co-sponsored by the Washington, Oregon and British Columbia Purchasing Agents Associations, Empress Hotel, Victoria, B. C., April 7-8.

American Society of Mechanical Engineers—Oil & Gas Power Conference and Exhibit, Jung Hotel, New Orleans, April 9-13.

American Management Association—National Packaging Exposition, McCormack Place, Chicago, April 10-13.

American Society of Lubrication Engineers—Annual Meeting & Exhibit, Bellevue-Stratford Hotel, Philadelphia, April 11-13.

Purchasing Agents Association of Indianapolis—1961 Indiana Industrial Show, Manufacturers Building, State Fairgrounds, Indianapolis, April 12-14.

Institute of Radio Engineers—Southwestern Conference & Electronics Show, Municipal Auditorium, Dallas, April 13-15.

Office Equipment Manufacturers Institute—Business Equipment Exposition, Coliseum, New York City, April 17-21.

American Welding Society—Annual Welding Exposition, Coliseum, New York City, April 18-20.

MAY

National Tank Truck Carriers—Annual Convention and Tank Truck Equipment Show, Netherland-Hilton Hotel, Cincinnati, May 1-3.

National Office Management International Conference & Office Exposition—Kiel Auditorium, St. Louis, May 7-11.

Material Handling Institute—Eastern States Show, Trade & Convention Center, Philadelphia, May 9-11.

American Society for Quality Control—Exposition, Philadelphia, May 20-26.

Canadian Association of Purchasing Agents—36th Annual Purchasing Conference and Products Display, Royal York Hotel, Toronto, May 28-31.

JUNE

National Association of Purchasing Agents—46th Annual Convention and Inform-A-Show, Conrad Hilton Hotel, Chicago, June 4-7.

First Listing

Southwestern Conference & Electronics Show—Institute of Radio Engineers, Municipal Auditorium—Dallas, April 13-15.

The Second Annual Alabama Electronics Exposition—Birmingham Auditorium, 10:00 a.m.-8:00 p.m.—April 17, 18, 19.

1961 Powder Metallurgy Show—Metal Powder Industries Federation, Hotel Sheraton-Cleveland, April 24-26.

Edison Electric Institute Purchasing and Stores Committee—14th annual meeting, Shamrock-Hilton Hotel, Houston, Texas, May 15-17.

Design Engineering Show—Cobo Hall, Detroit, May 22-25.

Tool Exposition and Engineering Conference—American Society of Tool and Manufacturing Engineers, Coliseum, New York, May 22-26.

Plastics Exposition—Society of Plastics Industry, Coliseum, New York, June 5-9.

Barrel finishing is best finishing ...with TUMBLEX® abrasives

... in every type of rotating
or vibratory equipment

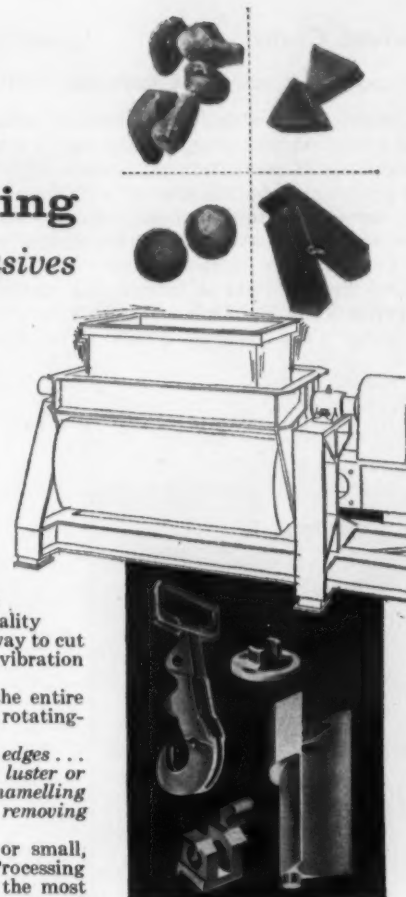
Keeping pace with the latest advancements in barrel finishing equipment, Norton TUMBLEX abrasives are first in the field for best results with vibratory machines... developed for faster, lower cost finishing of the widest range of parts, especially the most complicated.

The recognized advantages of TUMBLEX abrasives help assure improved product quality and appearance — plus the fastest, easiest way to cut finishing costs-per-piece... by this new vibration method.

These advantages are also brought to the entire range of barrel finishing operations of both rotating-barrel and vibration types, including:

Removing burrs... smoothing off feather edges... refining surface finish... burnishing for luster or color... preparing surfaces for painting, enamelling or plating... imparting matte finish... removing dirt, grease or heat-scale.

Send your samples of parts — large or small, simple or intricate — to our Sample Processing Department. We'll barrel finish them on the most suitable machines — vibratory or rotating — and return the samples with a report on the TUMBLEX abrasives and machine type you need to improve product quality and cut production costs. NORTON COMPANY, General Offices, Worcester 6, Mass. Plants and distributors around the world.

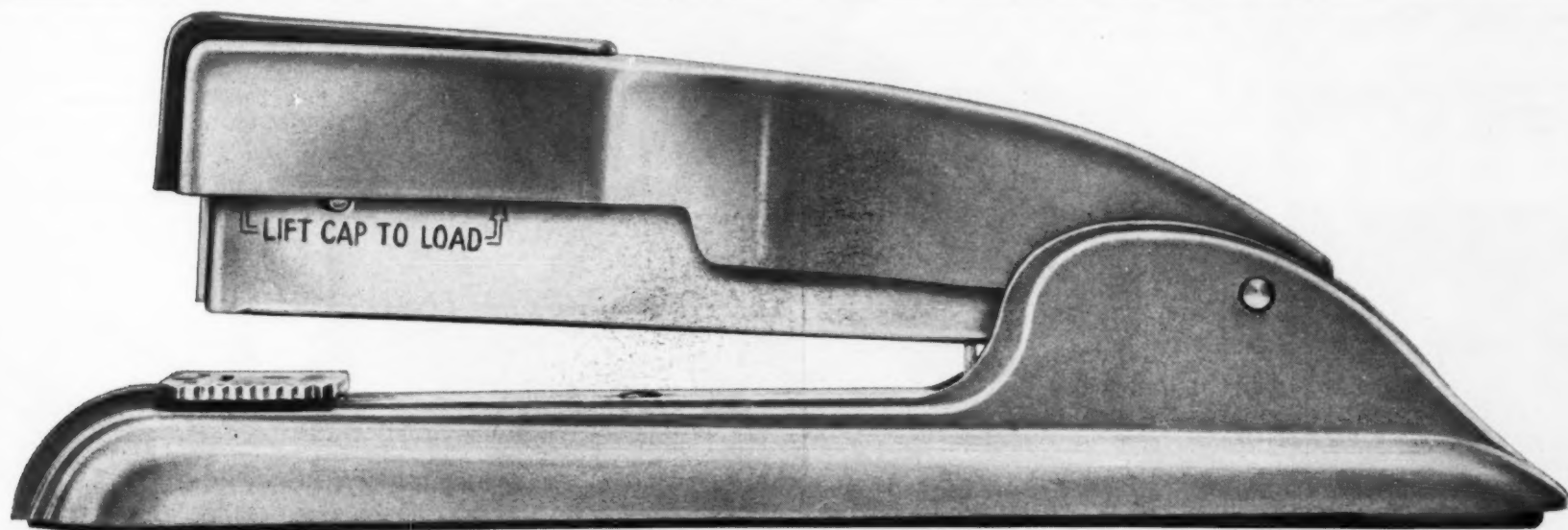


NORTON
ABRASIVES

G-410

Making better products... to make your products better

NORTON PRODUCTS: Abrasives • Grinding Wheels • Machine Tools • Refractories • Non-Slip Floors
BEHR-MANNING DIVISION: Coated Abrasives • Sharpening Stones • Pressure-Sensitive Tapes



Swingline No. 27

The President
of Swingline
Shows:

How American Ingenuity Gives
Staplers The Modern Look



No. 27

And...did you know Swingline also makes Speedpoint Staples?

The same high quality you enjoy in Swingline Staplers is yours in Speedpoint Staples. Finest for all standard office staplers, they are extra sharp for 28% easier penetration. Constructed of 100% round wire for extra strength, they hold better, won't clog, and are always perfectly aligned for trouble-free operation. Worth the few extra pennies you pay for them. Write for a complete list of Swingline Office Aids.



Speedpoint Staples
—the finest for all standard staplers

Swingline INC., Long Island City 1, New York
World's Largest Manufacturer of Staplers for Home and Office

Swivel Chair

Has Executive Styling

Swivel chair, styled for executive offices and reception and lounge areas, has a vinyl upholstery of polyurethane foam. Matching pieces include side chairs (with or without arms), an armless swivel, and a settee. Side chairs are available with tubular legs or an aluminum pedestal base with glides. Swivel models have a torsion bar control.

Price: \$128.50. **Delivery:** 30 days.
Harter Corp., Sturgis, Mich. (PW, 4/3/61)

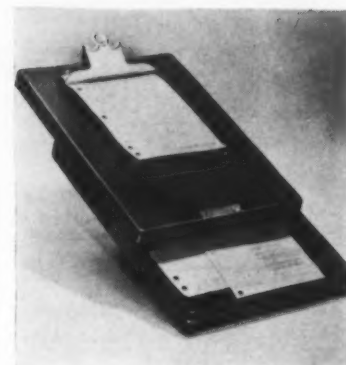


Clipboard

Has Built-in Drawer

Clipboard of durable plastic has a compact built-in drawer for carrying invoices, notes, and papers of all kinds. The unit, which is equipped with a heavy-duty steel clip, weighs 1½ lb. The entire case is 10 in. wide and 14 in. long and is designed for people who must handle papers while moving about.

Price: \$7.95. **Delivery:** immediate.
Evans Specialty Co., Inc., P. O. Box 8128, Richmond 23, Va. (PW, 4/3/61)



Power Supply

For Bench Use

Transistorized unit designed primarily for bench use to provide bias and other voltages can also be used as a component for an automatic system. The 8-in. high power supply has an output of 0 to 40 v. d.c. at 0 to 200 ma. Input is 105 v. to 125 v. a.c., 50 cps. to 440 cps., single phase.

Price: \$135. **Delivery:** immediate.

Mid-Eastern Electronics, Inc., 32 Commerce St., Springfield, N. J. (PW, 4/3/61)



Soldering Iron

Permits Quick Heater Change

Midget soldering iron's clip arrangement permits quick change of assemblies; the entire assembly pulls out of the handle and the tip and heater assembly slip out for replacement. Irons are available in ⅛- to ¼-in. tip sizes with 6-v., 18- to 35-w. ratings.

Price: \$3.65 (handle and cord-set), \$3.95 (tip and heater assembly). **Delivery:** immediate (May 1).

General Electric Co., Industrial Heating Dept., Shelbyville, Ind. (PW, 4/3/61)

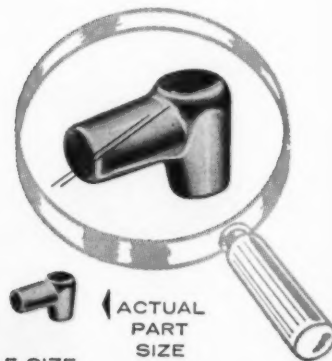
MUELLER BRASS CO. PRODUCES SPECIFICATIONS . . . REGARDLESS OF

To obtain the desired physical and design requirements in a part at the lowest cost, there is usually one specific process by which that part can be most successfully and economically manufactured. Because the Mueller Brass Co. offers a variety of production methods, you get sound engineering, accurate production method analysis, our assurance of getting the best product at the lowest cost . . . regardless of metal specified or the size of your particular part.

BRASS, BRONZE, ALUMINUM FORGINGS

The two parts shown here dramatically illustrate the ability of the Mueller Brass Co. to produce precision forgings regardless of size or configuration. Both the tiny dental drill nozzle and the big heat exchanger shell hub, which is the largest of its kind ever produced, were forged to exacting specifications. The weight of the nozzle is only a few ounces while the shell hub weighs 40 lbs., and has a forged pocket 7⅝" in diameter and 4⅞" deep. By way of size comparison, the pocket is big enough to hold over 14,000 of these tiny drill nozzles. By forging the pocket, considerable machining time and money was saved. The sound, dense structure of the

shell hub makes it ideal for the high pressure application for which it was designed. The forging not only does the job better, but was produced for 25% less than the casting it replaced. Experience makes it possible for the Mueller Brass Co. to produce high quality precision forgings regardless of specifications . . . why not put this experience to work for you?



ONE DEPENDABLE

Write today for Engineering Bulletins on any of these Products.

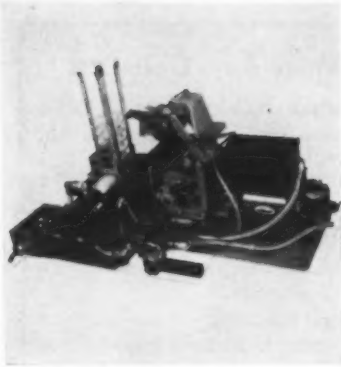


SCREW MACHINE PRODUCTS



POWDERED METAL PARTS

MUELLER BRASS CO.



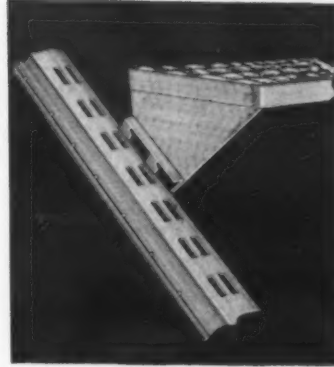
Imprinting Machine

Marks Flat Surfaces

Machine imprints flat surfaces of metal or plastic boxes, covers, etc. at about 3,600 pieces per hr. It is designed for in-line production systems and can be fed manually or automatically; ejection is automatic. The machine makes imprints as large as 2 in. x 3 in. and uses quick-changing type.

Price: \$1,000 plus optional accessories, inks, solvents, etc. Delivery: 10 days.

Markem Machine Co., 170 Congress St., Keene, N. H. (PW, 4/3/61)



Stairway

Can Be Relocated

Portable stairway with safety treads is erected like a rack. No welding, bolting, or riveting is required. The stairway can be readily set up for easy and safe access to an overhead platform or similar area as required. When no longer needed it can be dismantled and relocated.

Price: \$20/ft. to \$30/ft. Delivery: 4 wk. Bernard Gloekler North East Co., North East, Pa. (PW, 4/3/61)

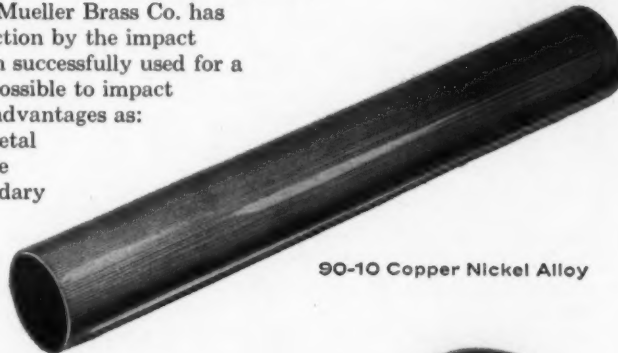
PARTS ECONOMICALLY...TO EXACT METAL, METHOD OR SIZE...

When you are designing, specifying or purchasing fabricated parts, call in the "Man From Mueller Brass Co." to help lower costs and improve your products. Sales and engineering service is available to you at Mueller Brass Co. offices throughout the United States. Make Mueller Brass Co. your one dependable source for all your part needs.

COLD PREST® IMPACT EXTRUSIONS

Today, because of vast experience in alloys, the Mueller Brass Co. has greatly expanded the possibilities of parts production by the impact extrusion method. Aluminum, of course, has been successfully used for a multitude of tubular shapes. But now it is also possible to impact parts of copper alloys incorporating such major advantages as: closer tolerances, better finish and appreciable metal savings. Because of dimensional accuracy possible with the impact extrusion, the necessity of secondary machining operations is often eliminated.

The parts shown here are representative of the group now being economically produced as impact extrusions by the Mueller Brass Co. who offer complete engineering and design service in the development of new parts from copper base alloys.



90-10 Copper Nickel Alloy



Aluminum Alloy 6061



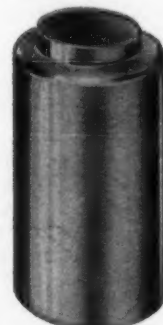
Oxygen Free High Conductivity Copper



Special Alloy 902

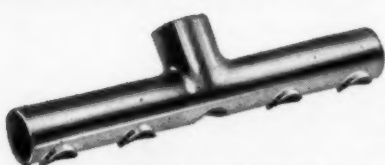


Tellurium Copper Alloy



Low Phosphorus Copper Alloy

SOURCE FOR ALL THESE OTHER PRODUCTS



FORMED COPPER TUBE



STANDARD and SPECIAL ALLOY ROD



PORT HURON 31, MICHIGAN



319



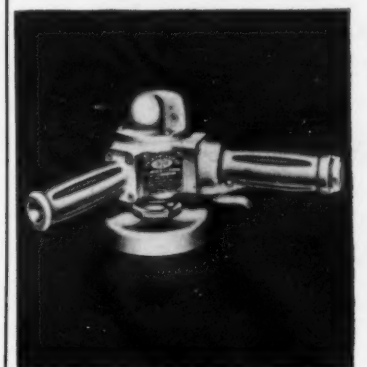
Welder

350-amp. to 600-amp. Range

Semi-automatic production welder, for use on machinery and for structural fabricating, continuously feeds a tubular, self-shielding electrode through a welding gun that is manually operated. The d.c. motor generator supplies power for a range of 350 amp. to 600 amp. The portable cabinet is mounted on rubber-tired casters.

Price: \$900. Delivery: immediate.

Lincoln Electric Co., Cleveland 17, Ohio. (PW, 4/3/61)



Grinder

Does Several Jobs

Tool comes in two 6,000-rpm. models: a heavy-duty vertical air grinder with 6-in. flared cup wheel (available also at 4,500-rpm. and 3,500-rpm. speeds), and a regular-duty depressed center wheel grinder with 9-in. wheel (available also in 4,500 rpm. and 7,000 rpm.). Both tools serve as depressed center and flared cup wheel grinders, wire brush tools, or disc sanders.

Price: \$342.50 (heavy-duty) and \$312.50. Delivery: immediate.

Albertson & Co., Inc., Sioux City, La. (PW, 4/3/61)

Profit Squeeze Focusing More Attention on Make-or-Buy Issue

(Continued from page 1)
main problem," says Swardenski. "Many people talk about make-or-buy committees, but not many companies have formal programs."

Co-chairman Karl Graf, manager-manufacturing engineering, Missile and Space Vehicle Dept. of General Electric Co., adds that he will stress the heavy responsibility of the make-or-buy committee to come up with the best course of action without involving top management in every decision.

"Managers in make-or-buy must be up to date all the time—aware of conditions as they are today," says Graf. "And each consideration must stand on its own feet, not company policy, because a final decision can affect the entire company."

As far as the defense business is concerned, he notes, the make-or-buy study involves so many factors and government directives that most prime contractors tend to favor subcontracting with smaller companies rather than bogging down in red tape.

How the P.A. Contributes

A PURCHASING WEEK sampling of manufacturers in some 15 different industries in 14 cities indicates that although procedures vary widely in the matter of formal investigations and reports, the departments involved in make-or-buy decisions are almost identical—purchasing, engineering, and manufacturing. Here's how the P.A. contributes:

- Initiates investigation of make-or-buy alternatives.
- Provides cost data from present vendors or potential suppliers.
- Participates on the decision-making committee.
- Reviews results after the decision goes into effect.

Among the companies surveyed, a trend from buy-to-make

was indicated. Behind the move, say most companies, are lower costs. Manufacturers are finding that in many cases there are savings for them in making their own parts, machined assemblies, or components.

Also a factor is management's desire to keep production facilities busy. With sales down, many plants have had unused excess capacity and could easily make parts and subassemblies formerly purchased. This keeps the cash within the company and covers overhead costs.

Firms leaning toward make are usually of the medium and small size variety, especially in metalworking. These are companies with flexible production lines that are operating at less than capacity. Also in this group are firms that reported dissatisfaction with vendor's costs.

Companies operating at full capacity generally are swinging to buy, as are the growth industries, such as electronics and technical specialties, where obsolescence is a vital factor. Most companies in the growth industries prefer to get around the obsolescence factor by shifting the burden of producing new components onto their suppliers.

Despite this natural preference for buy, companies in this group are careful not to overlook the value of setting up make-or-buy procedures. Typical of this group is Ampex Data Products Co., which has a setup that enables it to study doubtful areas, even though the over-all trend is from make to buy. Nine months ago, for example, Ampex switched from buy to make in cabinets following a study of vendor and in-plant possibilities. Here's how the company reached the decision:

Using an analysis form to help, Ampex ignored fixed costs in its make-buy comparison but stuck entirely to the variable costs—

labor and material. Shop and storage overhead went into the tooling and processing figures. The basic financial yardstick was simple costs per unit, arrived at by taking into account the factors listed on the form. Ampex divided tooling and processing costs by two, because it uses a two-year figure in order to iron out short-term fluctuations.

If there is time to make the routine study, and tolerances are reasonable, competitive bids between various vendors and the home shop are taken without the Ampex shop manager knowing of the vendor's bids. When all bids are in and the sheets filled out, the procurement and fabrication departments confer and decide which way to go on the unit in question. Initial decision to take bids from the home shop comes from the procurement unit manager, Ampex's name for purchasing agent.

Because the make-or-buy system is new, the company has not yet set up a review of its decisions. But Ampex expects to compare later series of bids from both vendors and shop with older sets to get an idea of any cost trends—either in the shop or outside.

The Fruehauf Shift

Fruehauf Trailer Co. provides a striking example of a firm that made a major shift from buy to make. Fluctuating toward a \$5.4-million loss in 1958, the company started a crash program based on a company-wide make-or-buy study. It discovered that 70¢ of its purchasing dollar was going for fabricated parts. And a majority of those parts could be self-manufactured, reducing the purchased parts to 35% of each dollar.

Fruehauf set up an extrusion plant to make the 24-million lb. of aluminum fabrications used annually. Another plant took over steel fabrications. Result: With the make program not yet completed, the firm rang up a net profit in fiscal '59 largely due to "make" savings.

In other companies, where the trend is to make, idle capacity is often the deciding factor. This was the case at Hayes Aircraft Corp., Birmingham, Ala., according to purchasing agent B. A. Rupert. "We started late last year making our own printed-circuit boards," he explains. "We used to buy the boards from a smaller company. But we had a department with practically nothing to do—a department with capability for making these boards—so I suggested we start making them."

Lancer Industries, Inc., Mineola, N. Y., fiberglass pool and bomb shelter manufacturer, took the make decision one step further. Dissatisfied with its resin supplier, Lancer bought Olympic Paint and Chemical Co., Pasadena, Calif., as a wholly owned subsidiary. According to Lancer, the acquisition and vertical integration now insures a dependable supply of its major raw material.

What amounts to an all-out swing to make is underway at Regina Floor Polisher Co., Rahway, N. J. For many electrical merchandising companies, the make-or-buy decision sometimes includes complete units. At

What to Look For in Make-Buy Decisions

After a cost study indicates a make decision, certain intangibles require attention before your company can take the plunge.

These are the things to consider:

- (1) Can your present management handle administration of make operation without adding to the costs?
- (2) Is your firm willing to take on all the risk of obsolescence rather than share the problem with a supplier?
- (3) Is uninterrupted supply a major concern?
- (4) Can your company drop one vendor without endangering the good will of the others?
- (5) Are advantages of make available from another source?
- (6) Is it likely that your company will continue to make after the conditions favoring the decision are removed?
- (7) Is there a means to keep a continual check on the best policy?

Regina these decisions are handled by common consent of the department vice presidents. But on decisions involving parts of units manufactured, the vice president of operations works it out with purchasing and engineering.

Reason for the shift to a make program: "The suppliers have many people to keep happy and they cannot give everyone special attention. We have only ourselves to keep happy," says Regina's purchasing agent G. E. Olson.

One of Olson's continuing jobs is a constant check on what the company can start making for itself. At regular intervals Operations Vice President J. J. Curtyn calls a meeting to review the manufacturing setup. If new techniques indicate making may be less special, Regina starts thinking about where it can install the new equipment. Recently the company began making its own brushes when introduction of automated equipment made it feasible.

At Niagara Frontier Transit System, the make decision has reached the basic level. NFTA President Roswell F. Thoma reports that he is at work now on a program that will put his company into making its own buses. By 1962, Thoma says, the bus repair facilities of the company will be turning out about one bus a week, if the prototype now on the boards is practical.

Not all manufacturers surveyed are on a swing to make instead of buy. There are companies that have made no change either way and firms that are shifting from "do it yourself" to buy. Large manufacturers dominate the list reporting no change; however, all have gone further to organize committees to keep the possibilities under study.

Generally, big companies say that they can not shift between make and buy as easily as small manufacturers. Their plans include long-range possibilities, and commitments to suppliers are stronger than small manufacturers'.

Also reversing the do-it-yourself trend are firms involved in defense contracts. The Pentagon, pushed by Congress and the Small Business Administration, has intensified pressure to subcontract as much work as possible to smaller companies. With this pressure has come a tighter scrutiny of subcontracting.

One industry observer comments, "I'm not sure whether this

is good or bad, but there are instances in which the government is taking away the prerogative in make-or-buy decisions from management."

However, a top Pentagon official told PURCHASING WEEK, "We want to make sure the contractor doesn't build in his own plant equipment he's not qualified to make or material he can buy more cheaply elsewhere. And we want to assure adequate opportunities to small business."

The subcontract scrutiny has taken two forms:

(1) A formal "defense small business subcontracting program" which includes a mandatory provision in prime contracts of at least \$1-million to farm out work to small business "to the maximum extent feasible."

(2) Contracts of "large dollar value" or for complex work which spell out exactly what work is to be subcontracted. The contractor submits a formal make-or-buy report specifying the critical or major components, subsystems, and other parts he plans to manufacture in his own facilities and those he plans to buy or subcontract. The contract based on this report includes a clause requiring the contracting officer to approve changes in make or buy.

Underway at Chance-Vought

A formal make-buy arrangement is under way at prime contractor Chance-Vought Aircraft, Dallas. All decisions come through the Source Planning committee under the over-all control of the Director of Production. The whole setup is now a part of C-V's new cost handbook, called "Total Value Management," which was drawn up as a guide in cutting costs in the company's big Navy contracts.

In the committee, which includes representatives from engineering, facilities, manufacturing engineering, manufacturing controls, materials, and quality departments, purchasing takes on the responsibility of reviewing the make-buy decisions.

C-V Materials Manager W. R. Kiefer outlines it this way: "It is necessary that the purchasing agent maintain continuing surveillance of both in-plant and outside sources' current and programmed capabilities, as well as new capability requirements, and recommends their development either in-plant or by outside sources."

MAKE-BUY ANALYSIS FORM			
PART NO.	PART NAME	MODEL NO.	
BASIC DATA REQUIRED			
TOOLING:	IN PLANT HRS.		
PROCESSING:	OUTSIDE COST		
SHOP LABOR:	ENCOM HRS. PER PART		
MATERIAL:	ACTUAL HRS. PER PART		
SHIPPING:	QTY REQUIRED PER PART		
USAGE:	UNIT COST		
	COST PER LOT		
	LOTS PER YEAR		
	PARTS PER YEAR		
COST TO MAKE			
SHOP LABOR:	SHOP HOURS x HOURLY RATE x PARTS PER YEAR		
MATERIAL:	QTY PER PART x UNIT COST x PARTS PER YEAR		
(If Req'd.)	TOOLING HOURS x HOURLY RATE x PARTS PER YEAR		
(If Req'd.)	PROCESSING HOURS x HOURLY RATE x PARTS PER YEAR		
	PROCESsing		
Total Cost Per Year			
UNIT COST:	TOTAL COST PER YEAR ÷ UNITS PER YEAR		
COST TO BUY			
VENDOR PRICE:	COST PER PART x PARTS PER YEAR		
(If AMPEX supplied Mat'l.)	QTY PER PART x UNIT COST x PARTS PER YEAR		
PURCHASING:	COST PER LOT x LOTS PER YEAR		
TOOLING:	TOTAL COST		
SHIPPING:	COST PER LOT x LOTS PER YEAR		
REC. INSP.	COST PER LOT x LOTS PER YEAR		
	\$10.00		
Total Cost Per Year			
UNIT COST:	TOTAL COST PER YEAR ÷ UNITS PER YEAR		
REMARKS:			
DATE:			

MAKE-OR-BUY AT BECK-AND-CALL: Ampex uses analysis form (above) to keep ready record of costs for reference whenever change in pricing situation warrants reconsideration of make-or-buy issue on any part.

Casting Resin

Has 1:1 Mixing Ratio

Epoxy casting resin, compatible with electrical components and circuits, has a mixing ratio of 1:1 by either weight or volume. It bonds well to most materials and has excellent machinability. It cures at room temperature in a few hours or in a few minutes at moderate temperatures.

Price: 55¢/lb. to 66¢/lb. **Delivery:** immediate.

Emerson & Cumming, Inc., Canton, Mass. (PW, 4/3/61)

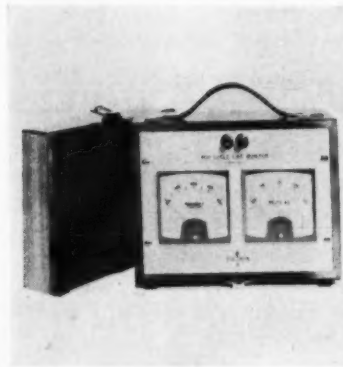
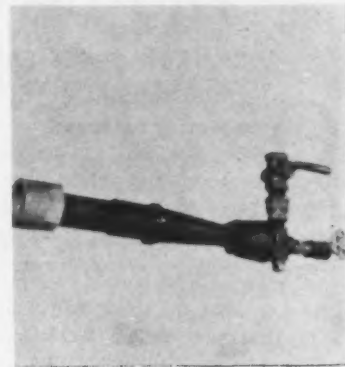


Torch

Delivers High Blast

High-blast torch for foundry and steel mill use melts nonferrous metals, dries molds, lights cupolas, etc. and also can be used for jobs such as flame heat treating and annealing. Eight sizes have heat capacities ranging from 40,000 Btu/hr. to 3,000,000 Btu/hr. with flame lengths from 10 in. to 4 ft.

Price: \$30 to \$70. **Delivery:** immediate.
Bryant Industrial Products Corp., 17700 Miles Ave., Cleveland 28, Ohio. (PW, 4/3/61)



Test Instrument

Takes Rugged Treatment

Instrument for precision measurement of frequencies and voltage is housed in portable, rugged cabinet. Two expanded scale meters measure frequency with an accuracy of 0.05% and voltages with 0.5% accuracy. The carrying case has building-block flexibility permitting a combination of up to four meters.

Price: \$375. **Delivery:** 30 days.

Voltron Products, Inc., 1020 S. Arroyo Pkwy., Pasadena, Calif. (PW, 4/3/61)

Powertron Branches Out

New York—Powertron Ultrasonics Corp. has formed a wholly owned subsidiary, Powertron Electronics, which will manufacture electromechanical systems employing transducers, high-frequency generators and associated check-out equipment. Offices and plant of the new unit will be located in Westbury, N. Y. The parent company produces a wide variety of ultrasonic and electronic products, including cleaning and degreasing systems for commercial and military uses.

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specifications to be fulfilled: a *vapor barrier with a permanent flame spread rating: kraft side-25; foil side-5*. It is now being used by leading insulation manufacturers for insulation facings, pipe jacketing, duct lining.

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The LAW and YOU

ACT FAST ON WARRANTIES

One remedy for breach of warranty is to call for a rescission of the contract. But you must act within a reasonable time or you will lose the right to return the goods and obtain a purchase price refund. In other words, don't delay. The facts of each case determine what is a "reasonable" time, and two recent cases illustrate the legal complexities of using this contract remedy.

• A buyer who bought two bulk dry cement trailers found them unsatisfactory and not what the seller had warranted them to be. He wrote to the vendor in July that the trailers were unsatisfactory but delayed until Oct. 28 before offering to make arrangements for their return. Meanwhile, the buyer's firm used the vehicles.

The buyer's demand for contract rescission was denied. The court ruled that using the trailers for a three-month period was inconsistent with rescission and rights to that remedy thus were waived (Hunt Truck Sales and Service, Inc. v. Ohana Standard, 117 F. Supp. 796).

• In another case, the buyer of a used truck sought to rescind the purchase agreement six weeks after the sale on the ground of breach of warranty. The seller claimed that he waived his right by waiting so long and by making payment on a note given for the purchase price.

But the court ruled in favor of the buyer. Even though he operated and inspected the truck before the sale, the court said the buyer was entitled to rescission because defects in the truck motor were not discoverable by simple inspection.

ALSO THE FINE PRINT

Where a sales contract calls for notices of unsatisfactory performance to be given within a certain period of time and to be in writing, compliance with the exact requirements of the contract is important. Otherwise important rights may be lost.

A buyer sent several purchase orders for aluminum siding to a vendor with whom he had been dealing for a period of time. As was the seller's custom, each order was acknowledged and included the following statement: "Any claim for failure or delay in delivery shall be deemed waived by buyer unless presented

in writing to seller within 30 days from the date on which delivery is required hereunder."

Buyer sued seller for delay in making deliveries. He lost because he did not notify seller in writing within the 30 days period.

Here a course of conduct has been established between the parties, and buyer was bound by the 30-day provision in the acknowledgement. Ordinarily, a seller can't prevent buyer from getting damages by merely inserting a clause such as above in his acknowledgement. So play it safe—check all acknowledgements for such clauses, and if there is a delay in delivery give the required notice. Of course, if such a clause is contained in the sales contract itself, buyer is always bound by it. (Reliable Construction Co. v. Lifetime Industries, Inc., 188 F. Supp. 292.)

ACTIONS PREVAIL OVER WORDS

A buyer's acts can bind him to a contract even when the seller fails to comply with all the fine print.

In a recent case, the purchaser signed a seller's order form which carried this proviso: "The order will be binding on the seller only when accepted by an officer of the seller." The order form carried a blank space whereon this acceptance could be indicated.

Machinery and equipment were delivered to and accepted by the buyer. But when the seller sought payment of sales taxes and freight charges which the order form called for the buyer to pay, the buyer argued that the order form was not controlling because it had not been signed by an officer of the seller.

This stand was based on the argument that the sale was effected by a chattel mortgage agreement signed after the order form and that the mortgage agreement made no provision for tax and freight charges.

But the court ruled the buyer did have to pay. Although there was no formal acceptance of the buyer's offer by an officer of the vendor, the sale still was governed by the order form. The court said that by accepting the machinery the order form was made a binding contract. (Prosperity Co. v. DeGeorge, 123 So 2d 802.)

RISKING A LOSS

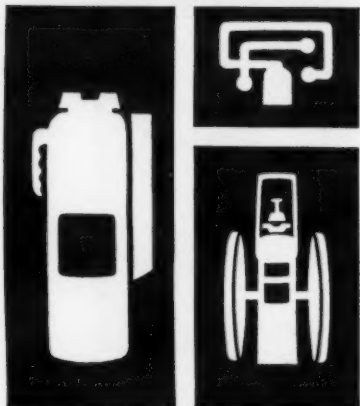
The time at which title passes from seller to buyer on purchases is crucial in determining whether buyer or seller carries the risk of loss. The title owner suffers the loss should the purchased property be destroyed in delivery. Here is a case where title did not pass to buyer, and seller was unable to get his sales price although the merchandise was in transit to the buyer when the property was destroyed.

Buyer ordered 5,000 gal. of paint. Seller agreed to deliver the paint to buyer's factory in his own truck, and buyer was to pay cash to the seller's driver. The truck caught fire en route and all the paint was destroyed.

Where a sale is for case and delivery and payment are concurrent, title does not pass until payment. There being no agreement here to the contrary, the risk of loss was on the seller until title passed. Buyer did not have to pay for the paint.

(The above material was prepared by Sydney Preran of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

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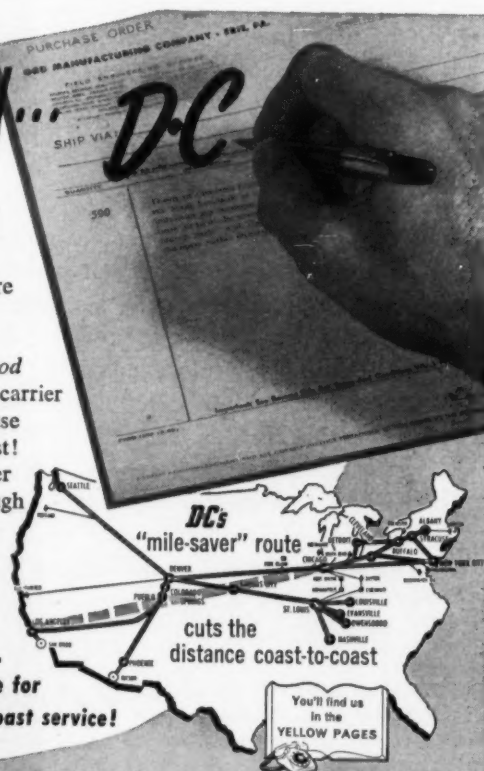
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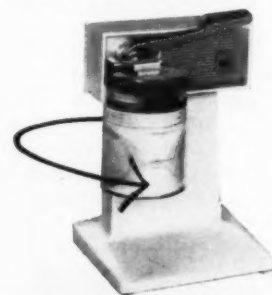
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Shippers Urge REA to Rescue LCL Operations

(Continued from page 1)
to about one-tenth of total tonnage originated by these lines, or less than 4-million revenue tons a year, in contrast to over 12.5-million in 1949.

Major regulated truckers, on the other hand, have been increasing their less-than-truckload business to almost 57-million tons, well over one third of their total yearly tonnage.

The result is that shippers are being squeezed from both ends. The railroads, particularly in the East, are pressing for pickup and delivery charges which many shippers say would make LCL shipments more expensive than less-truckload shipments. And truckers, through their rate bureaus, have been almost uniformly adding \$1 surcharges, primarily to LTL shipments, as a prelude to putting general rate increases into effect.

Pickup and delivery charges which were to go into effect Oct. 24 of last year have been road-blocked by two ICC suspensions, but the rails have not given up.

Shippers offer these examples of how proposed PUD charges would make rail deliveries more costly than truck:

• **Machinery, Pittsburgh to Chicago.** Current LTL rate: \$3.19 cwt., LCL: \$2.62. Proposed Pittsburgh pickup charge of 55¢ cwt. plus proposed Chicago delivery charge of 60¢ cwt. would raise rail cost to \$3.77, well above the LTL rate.

• **Iron steel valves, Akron to Philadelphia.** Current class 60 LTL rate: \$2.03 cwt., LCL: \$1.90. Proposed Akron pickup charge of 30¢ cwt. plus proposed Philadelphia delivery charge of 60¢ cwt. would raise the rail cost to \$2.80.

A more immediate threat lies in the growing tendency of railroads to drop pickup and delivery service. Important case in point: recent cancellation of PUD service on LCL shipments by Pennsylvania Railroad at its Detroit station as well as some ports in Ohio.

Cancelling PUD service is seen as a first step by railroads in their efforts to bow out of the LCL picture altogether. Some rails—the Chicago & North Western and the Rutland, for example—have already done this. Smaller lines, seeking economies, are asking for some sort of curtailment. The Richmond, Fredericksburg &

Potomac Railroad wants to limit LCL to shipments of three tons or more which require no handling by railroad employees.

Other lines are attacking the problem via incentive rates. Southern Pacific, for example, established a scale of minimum rates per car load, the rate per unit being lower the more units are carried. Thus a full car will cost the shipper much less than twice the cost of a half-full car.

Railroads and REA Express have been making studies of traffic patterns that could lead to the agency taking over LCL business of some lines. REA did just that when the Maine Central Railroad abandoned its LCL service. The MCR asked the agency to provide express service at first class LCL rates. REA President Johnson said the increased volume covered the fundamental cost of the operation even though the new rates called for a 60% reduction over regular REA rates.

Off-line shippers see a definite advantage to either a pooling by various lines or a direct takeover of LCL business by REA Express. They cite the sad experi-

ence of firms which moved outside of large areas chiefly for cost reduction reasons and are now finding their transportation problems mounting.

Freight forwarders, who once looked like the answer to the small shipments problem, have been concentrating on long haul business. A sampling of forwarders by the ICC over a year ago showed that whereas rail and truck shipments still averaged less than 250 miles, the average forwarder shipment moved 1,170 miles, or over a third of the way across the country to its destination.

Nonprofit shipping associations also have geared their services mainly to large metropolitan areas, off-line shippers complain, but expanded services by these associations may alleviate this problem.

The net result of all this is that the shipper is being forced more and more to take matters in his own hands. As one traffic manager of a large East Coast valve producer put it: "If there ever was a time for the shipper to do something about the situation, that time is now."

Seaway Port Facilities Improved, But Higher Rates Deemed Likely

(Continued from page 1)
being considered seriously as yet. Rankin pointed out, however, that revenues have failed to live up to expectations during each of the past two years.

The upper part of the Seaway connecting the Atlantic with Lake Erie is scheduled to open Apr. 15. The final section of the waterway to resume full operation will be the old Third Welland Canal, where navigation through Lock 1 will be delayed until May 1 because of the construction of a new swing bridge.

First foreign vessels are scheduled to arrive in Buffalo shortly after the Apr. 15th opening, and in Chicago and Milwaukee on about the 20th. Included among the early arrivals at Milwaukee will be the first Japanese ship to make the run into the Great Lakes.

Here is the 1961 outlook for Seaway operations on a port-by-port basis:

• **Chicago**—The situation here will be about the same as last

year. The port will be unable to realize its full potential until the Calumet River linking Lake Calumet on the South Side of the city with Lake Michigan is deepened so that big ships can use it. The last mile of the river also has to be straightened. If the necessary funds can be obtained from Congress, as now appears likely, and if the port can reach agreement with the Corps of Engineers and the Nickel Plate Railroad on control of a single new bridge to replace three obsolete ones that now block passage of larger ships—Chicago may be able to take vessels 510 ft. long by 1962.

Ultimately, Chicago expects to double the size of present port facilities with the construction of a truck terminal, another grain elevator, and more wharf and cargo sheds. In addition, private investors are planning to build a \$15-million storage terminal for oils, chemicals, and other liquids.

• **Cleveland**—The city now

—This Week's—

Purchasing Perspective

APRIL 3-9

(Continued from page 1)

feuds. Each charges the other with trying to pirate outsized chunks of defense business.

Meanwhile, the shifting technical needs of both defense and general industrial contracting have focused a brighter spotlight on the capable small supplier who can deliver a quality product, often highly specialized and finely engineered, in relatively small up to production-line quantities.

The Small Business Administration, through its regional and big city offices, has set up clearing houses for information on hard-to-get suppliers, special needs, and other "Where-Can-I-Buy" problems of industrial purchasing executives (see PW, Feb. 22, '60 p. 27). And in the past few years, major contractors have organized special "small business contract" sections and instituted other programs—all designed to alert smaller companies to big brother's needs.

For example: This week General Electric, with some \$300-million in subcontracting opportunities to distribute out of certain military and other requirements, meets with hundreds of small suppliers from eight Midwestern states at Chicago. They'll get a day-long rundown of GE component needs and how to compete for the business. This will be the largest of several similar supplier symposiums held by GE in cooperation with the SBA.

Other companies have held similar sessions, and some—like Convair at San Diego—have established basic rules and policy for their procurement officers on how to work with small business suppliers.

Convair has assigned small business liaison officers to each operating division. When three firms are asked to bid, one must be in the small business category; on more than three bids, half must be small business. Convair also attempts to get its subcontractors to institute small business programs on their own in connection with their procurement activities.

BUYERS GUIDE: Shippers are paying closer attention to freight claims. In 1960 damage claims against truckers rose an average 24% over 1959, and the average claim filed amounted to \$19.47 compared with \$22.72 the year before. Recession cost-cutting was responsible, according to the National Freight Claim Council.

Commerce Secy. Hodges' cabinet level committee studying textile imports expects to report in mid-April. Pres. Kennedy then will decide whether any type of import restrictions are to be imposed, such as mandatory import quotas demanded by textile manufacturers, unions, and New England and Southern congressmen.

is working on a \$2½-million, 15-acre pier that will be able to accommodate three ocean-going ships at a time. It is due to be completed by the end of this year.

The port has spent \$200,000 on improved housekeeping facilities, including a sewage pumping station, utilities, and firefighting equipment.

• **Detroit** — This port gained the unenviable reputation last year as the biggest bottle-neck on the Great Lakes, as foreign ships were forced to wait for berths for as long as three and four days. Detroit Marine Terminals, Inc., and Detroit Harbor Terminals, Inc., spent \$5-million last year to add 800 ft. of new docking space, but observers say there is still not enough space to handle the projected 750,000 to 1-million tons of cargo which will go through the port per season by 1963.

The Port Commission is negotiating with the Wabash Railroad for the purchase of a 30-acre property that could provide 1,500 ft. of docking space almost immediately and 3,600 ft. eventually.

• **Milwaukee**—A shortage of docking and berthing space also has been Milwaukee's principal

problem, with tonnage having increased faster than facilities for handling it could be completed. The problem should be eased by July or August of this year, however, when a new 1,000-ft. pier with two 75,000 sq. ft. transit sheds is put into operation.

Milwaukee is trying to get federal approval of a \$4-million dredging program. The Army Engineers have approved the project, which calls for deepening harbor channels from the present 21 ft. minimum to 27 or 30 ft.

• **Buffalo** — Indications are that Seaway cargoes at this port will be handled more swiftly, more efficiently, and more economically this season than last. The port has been equipped with better handling facilities and the local problem of securing better trained stevedores appears to be improved.

A dredging program is underway, with average depths of 23 ft. to 25 ft. promised for this season.

Marine interests said the main problem this year will be lack of cargoes, not lack of facilities. The Buffalo Port Terminal, the Chamber of Commerce, and other groups now are engaged in an all out promotional effort.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Oleic acid, dble. dist. tanks, lb.	.0075	.165	
Brass & bronze ingots, 85-5-5-5 group, lb.	.01	....	scrap rise
Other groups, lb.	.0075	....	scrap rise
REDUCTIONS			
Phenol, USP, Dow, tankers, lb.	.005	.17	competition
No. 2 heating oil, Atlantic Seaboard, gal.	.002-.005	....	high inventories
No. 4 fuel oil, Atl. Seabd., bbl.	.11	....	high inventories
No. 5 fuel oil, Atl. Seabd., bbl.	.06 A .11	....	high inventories
Menthol natural, Brazilian, lb.	.20	\$7.90	slow demand
Formosan, lb.	.15	\$8.00	slow demand
Cold heading wire, 410 & 430 copper coated, carpenter, coils	8 % ave.	....	competition
Hydroxyethyl cellulose (except PQ 1500 gr.), PWD., all quantities, lb.	.10	.74-.93	
Dodecyl benzene, tanks, lb.	.005	.11	
Antioxidant-antioxidant (Flexone 3-C), US Rubber	30%	....	expand prod.

Prices Seen Lagging When Economy Turns Up

(Continued from page 1)
any change it might be slightly downward.

Even in the second half, as recovery really gets under way, the consensus is that rises will be selective—seldom across-the-board. One top Commerce Dept. Economist, Louis J. Paradiso, expresses the general feeling when he notes that good business in the latter part of 1961 can be achieved without inflation.

Here's how the experts see prices shaping up in specific areas.

• **Raw materials**—A mixed picture is expected here. On the up side, there's some likelihood of small hikes in such commodities as construction materials, rubber, and industrial textiles. The aluminum people also are talking up the possibility of a small rise in August when wage rates are scheduled to go up.

But these rises will be blunted by continued weakness in such major items as fuels, steel, and copper. There's also softness ahead in key coke oven chemicals such as naphthalene, benzene, and their derivatives.

On balance, these weak spots should keep PURCHASING WEEK's industrial price barometer from rising more than just a few percentage points over the next six to nine months.

• **Fabricated products**—Only a strong demand upturn or intolerable profit squeeze is likely to budge list prices. And under these conditions any increases will be heralded well in advance.

That was the case with the last price boost in glass containers. With profit margins almost at the vanishing point, manufacturers were hinting pretty broadly some three months before they posted the actual increases.

Right now, bearing manufacturers are reported to be seriously considering increases, but will not schedule them until fall.

But such increases will be the

exception rather than the rule. Much more likely are "unofficial" rises. As business picks up there will be less discounting, less freight absorption, more charges for extras, etc.

But it will all be a very gradual affair. Thus, chances are PURCHASING WEEK's industrial wholesale price index—currently at 103.1 (January 1957=100)—won't climb much beyond 104.0 by year-end—a rise of less than 1%.

• **Consumer prices**—No respite in the slow climb is seen here. But that's to be expected in view of the constantly rising costs of services such as rent, medical care and education.

What is encouraging, however, is the fact that "big ticket" consumer durables won't add to the upward pressure as they have done in previous upturns. All told, only about a ½%-1% increase is seen by year-end—roughly the same rise noted over the past nine months.

No Superboom

Confirmation that no superboom is around the corner comes from PURCHASING WEEK's latest quarterly roundup of 13 leading business indicators. While there's some improvement over three months ago (see table) the fact remains that five basic indicators—overtime, business births, business failures, capital spending, and construction—are still pointing down.

Other Areas Neutral

Other areas, such as consumer spending, can be considered nothing better than neutral. For example, the Michigan Research Center's new report on Consumer buying intentions (taken in January and February) shows an index 91.8 (fall 1956=100). That's virtually unchanged from the 93.1 of last October and November, and still 8% below a year ago.

Another disappointing area is

capital spending. Business outlays for new plant and equipment in the second quarter are expected to be 2% below the first quarter and 7% below a year ago.

But here the pessimistic outlook is offset by expectations of a second half pickup. According to the latest Commerce Dept. figures, July-December spending will be some 3% above the first half of the year.

Some Sunny Signs

Some signs that the capital spending picture is beginning to improve show up in the McGraw-Hill machinery new order survey. The latest level (February) is some 2% ahead of January—with five out of six major categories sharing in the advance.

This new order pickup is spreading to other areas, too. The Commerce Dept. reports that over-all hard goods new orders

Price Study Published

Washington—A new study of price trends has been published by the Bureau of Labor Statistics. Entitled "Daily Spot Market: Price Indexes and Prices, Jan. 1, 1957-Dec. 31, 1959," it analyzes prices of the 22 raw and semiprocessed commodities which make up the BLS daily index of spot market prices.

The report studies prices in light of the short business cycle of recession and recovery in the three-year period. A major section covers four special commodity groups—metals, textiles and fibers, livestock and products, and fats and oils. Copies are available free from the Labor Dept. or from BLS offices in Boston, Atlanta, New York, Chicago, and San Francisco.

rose in February to a point where they were almost on a par with sales. Since they had been running consistently behind in sales for over a year, this means the decline in backlogs may very well be on the verge of bottoming out.

Unanswered Question

The big question as yet unanswered, however, is: How fast will order backlogs start rising again? The answer holds the key to the extent of the pickup in industrial production and hence plant utilization.

The latter figure is particularly important as a price determinant, because the closer suppliers get to their preferred operating rates (94% industry average, according to a recent McGraw-Hill survey), the better the chances of a price boost will appear.

Far Below Capacity

Right now industry is only operating at about 75% to 80% of capacity. And according to one economic consulting service, Lionel D. Edie & Company, chances of completely closing the gap are small.

As a result, Edie thinks that over the next year or so, "substantial gains in output may be achieved without concomitant large rises in the price indexes."

Late News in Brief

Dow Cuts Phenol Prices

Midland, Mich.—Dow Chemical Co. reduced phenol price ½¢/lb., wiping out half of the Oct. 1 increase. New tankcar price: 17¢/lb., freight allowed. Reduction applies to all quantity brackets. Industry observers see the cut as a reflection of improving supply in benzene, of which phenol is a derivative. Other producers were expected to follow the price cut.

American-Marietta Rescinds Increase

Portland, Ore.—The phenol price cut eased the cost situation somewhat for American-Marietta Co., which called off its 1¢/lb. boost in the price of phenolic resins used as adhesives in hardboard and plywood. The increase, scheduled for April 1, was revoked when other producers failed to follow.

Federated Metals Posts Price Boost

New York—Brass and bronze ingot prices were raised ¾¢-1¢/lb. by American Smelting and Refining Co.'s Federated Metals Div. Other producers said they would follow. Federated raised all alloys in the 85-5-5 group 1¢/lb., bringing the 115 grade to 29¼¢, 120 to 28½¢, 123 to 27¾¢. All other groups were raised ¾¢/lb. The increase followed an earlier boost of 1¢ to 1½¢ and was linked to higher scrap prices occasioned by Japanese purchases.

British Court Voids Price Fixing Pact

London—Price fixing agreements among Britain's power transformer manufacturers were ruled illegal by the British Restrictive Practices Court. Judgment followed a 25-day hearing which ended Jan. 12. Under Britain's Restrictive Practices Act, price agreements are legal if duly registered, but may be voided if the court finds they are against public interest.

FTC Files Antitrust Complaints Against Kaiser, Three Subsidiaries

Washington — The Federal Trade Commission dismissed one antitrust complaint naming a subsidiary of Kaiser Industries Corp. but immediately filed another, broader charge against Kaiser and three of its subsidiaries.

A Kaiser spokesman said the FTC "apparently" found its original charge "deficient."

The FTC claimed that acquisition by the Kaiser companies of 45% of the stock of Allison Steel Mfg. Co., Phoenix, Ariz., may substantially lessen competition in the sale of primary steel and aluminum, and of steel and aluminum products. The FTC alleged these effects in Maricopa County, Ariz., the entire state of Arizona, and other sections of the country.

Named in the complaint were Kaiser Industries, Henry J. Kaiser Co., Kaiser Aluminum & Chemical Corp., and Kaiser Steel Corp.

The dismissed complaint had cited only Kaiser Steel's acquisition of the Allison shares and had named only steel products as being affected by the allegedly monopolistic practices. The commission gave no reason for making the switch, but apparently commissioners felt a better case would result from the broader complaint.

Kaiser said it would "vigor-

Firestone To Buy Dayton

Akron — Firestone Tire & Rubber Co. said last week that it has agreed to purchase the Dayton Tire Div. of Dayco Corp.

The acquisition will include the division's plant and equipment in Dayton, Ohio, plus inventory and the "Dayton" brand name. Firestone said its expects to increase production of Dayton tires and to continue supplying Dayton dealers, distributors and other customers.

Fairmont Begins Making Stainless-Clad Aluminum

(Continued from page 1)

unites the two metals so that they are not simply two dissimilar metals but are a single material."

The bond joins stainless steel's corrosion resistance, strength, and hard finish with aluminum's thermal conductivity, formability, and light weight. A sheet of stainless clad aluminum .050 in. thick, made of .009 stainless and .041 aluminum, is about half the weight of solid stainless of similar thickness. The company said that there are no technical restrictions as to the gage of the stainless clad which can be produced.

Initial shipments will be made to the cooking utensil field, which has produced and tested sample utensils. Manufacturers reported excellent metallurgical characteristics during fabricating operations such as deep drawing, stamping, trimming, beading, spinning, welding, brazing, coining, and in many surface finishing operations.

The transportation industry is investigating stainless clad's use particularly for tank truck bodies. Farrell stressed other possible industrial uses, including liquid storage tanks, automotive parts now made of stainless, and as a basic metal for rockets and missiles.

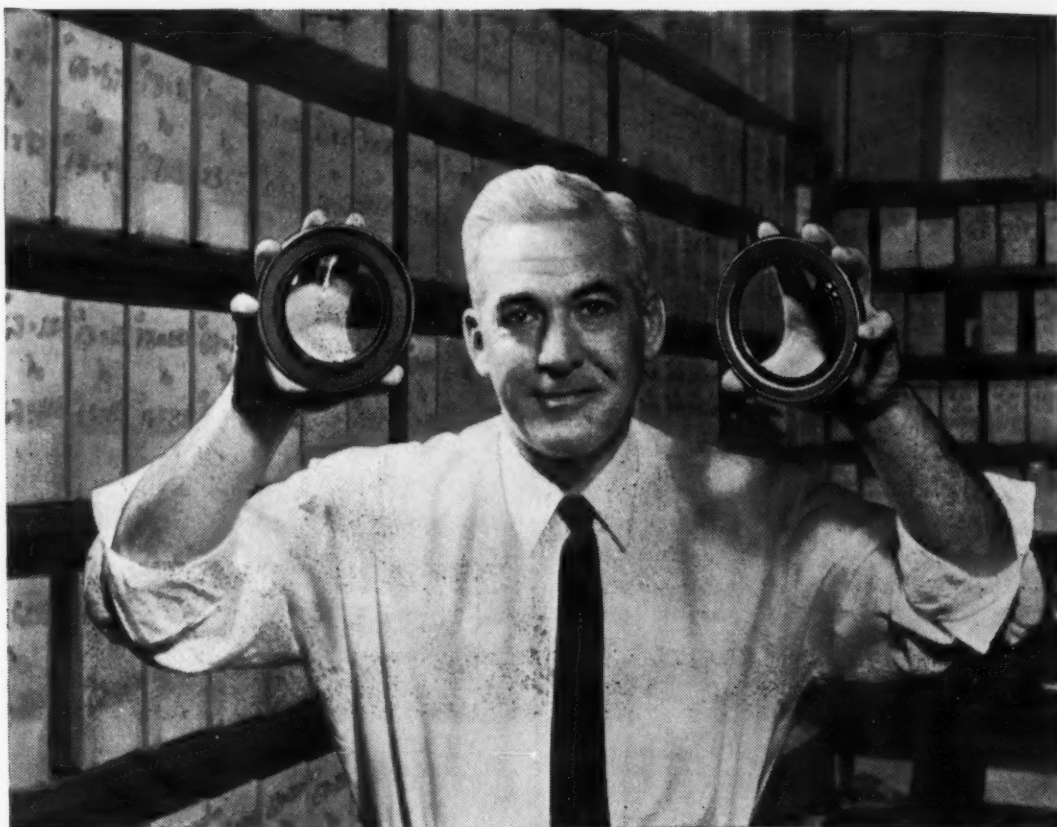
The bonding process is a development of Composite Metals Products, Inc., which has licensed Fairmont to produce the metal.

Barometers Signal Slow Pickup Ahead

LEADING INDICATORS	WHAT THEY PREDICT	Current Outlook	3 mos. Ago
P/W Price Barometer	Imminent changes in over-all demand	↑	↓
P/W Overtime Index	Urgency of meeting delivery schedules	↓	↓
Days' Supply	Future inventory policy and trends	↑	↓
Ratio: New Orders/Sales	Trend in backlogs and business activity	→	↓
Ratio: Stock/Orders	Effect of orders on production schedules	↑	↓
Business Births	Opportunities available for new business	↓	↓
Business Failures	Relative health of business community	↓	↑
Industrial Stock Prices	Wall St. appraisal of business outlook	↑	→
Capital Spending	Spending plans of the nation's businessmen	↓	↓
Machine Tool Orders	Business feeling about future economic climate	→	↓
Construction Awards	Future over-all construction activity	↓	↑
Housing Starts	Near-term residential building activity	→	→
Consumer Attitudes	Inclination to buy over next few months	→	→

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NEBRASKA	
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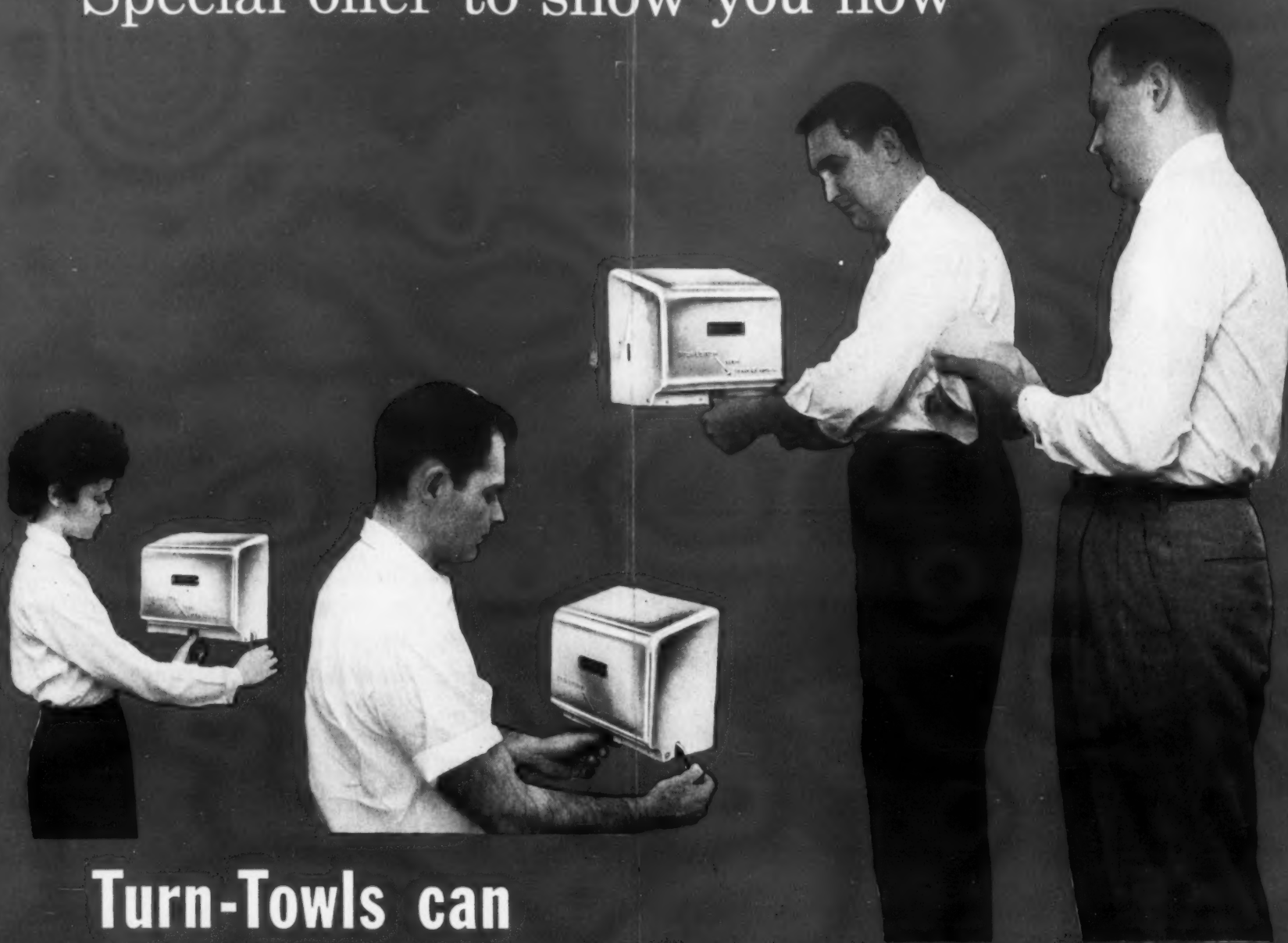
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